



太子建設開發股份有限公司  
Prince Housing & Development Corp.

# 2023 Annual REPORT

Stock Code: 2511



Taiwan Stock Exchange Market Observation Post System:

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Prince annual report is available at : <http://www.twse.com.tw>

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## Deputy Spokesperson

Name: Da-Chang Tai  
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 Tel: 886-6-282-1155  
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## Stock Transfer Agent

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## Auditors

PriceWaterhouseCooper (PwC)  
 Auditors: Kuo-Hua Wang, Jun Kai Wang  
 Address: 22F., No.95, Minzu 2<sup>nd</sup> Rd.,  
 Lingya Dist., Kaohsiung City 802,  
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## Overseas Securities Exchange

None

## Headquarters, Branches and Plant

### Head Office

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### Taichung Branch

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### Tainan Branch

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### Kaohsiung Branch

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# Chapter I

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Letter to Shareholders

## Business Report

### I. 2023 Business Report

Amidst a confluence of circumstances including inflation, interest rates, and the suboptimal post-epidemic economic performance in China, manufacturing operations have decelerated in a number of nations. Moreover, the ongoing conflict in the Middle East, the Russia-Ukraine war, and the US-China chip ban have all had an effect on social stability and global economic development. In Taiwan, the retail, tourism, and personnel transportation industries performed better than the previous year. However, the slowdown in global trade expansion has had an impact not only on Taiwan's exports and performance, but also on corporate investment.

In terms of real estate, due to continuous interest rate hikes, selective credit control, and the implementation of the Equalization of Land Rights Act, although housing prices did not fall significantly in the first half of 2023, the transaction volume was the lowest in recent years. Later, as the "New Youth's Housing Subsidy Program" launched by the government has a catalytic effect on the rigid demand, the housing market transactions will slowly recover in the second half of the year.

In 2023, in addition to housing sales, the Company's business model is no longer limited to land purchase and construction, but is committed to building a real estate-based business platform by integrating internal and external resources. To accomplish this, the Company divides its business territory into six major sectors: core construction, BOT projects, construction, property management, hotel operations, and re-investment. Each sector receives the resources it requires. In the core construction sector, efforts are being made to repurpose existing assets to generate revenue, optimize management systems, and advance ongoing projects. In addition to improving the operational performance of existing BOT projects, resources are allocated to develop new ones. The Company bid on BOT projects in Taichung City's Beitun and Dali districts, and was chosen as the preferred applicant, with long-term returns expected. In the construction industry, the Company uses its expertise to develop logistics parks and provide electrical and plumbing services to chain stores, generating revenue through professionalism while deepening its expertise for future growth. In property management, resources are directed toward key communities to establish flagship benchmarks, and the Company was awarded the "Excellent Award for Social Housing and Property Management Evaluation" by New Taipei City in 2023. In hotel operations, properties like W Hotel and Hotel Resonance have turned losses into profits as the tourism market recovers. The investment sector continues to provide steady returns. Each business unit has its own role to play, allowing the Company to grow steadily. In 2023, the amount of annual revenue and net income was NT\$1.172 billion and NT\$593 million respectively, and the amount of consolidated revenue and consolidated net income was NT\$8.485 billion and NT\$585 million respectively.

### II. Summary of the 2024 Business Plan

In 2024, the recovery of the global economy is not yet clear, and the macro environment is still full of many uncertainties; in terms of real estate, the amendment to the House Hoarding Tax 2.0 has been passed for the third reading. Fluctuations will inevitably occur. How much of the impact will be caused by the increase in the cost of ownership remains to be observed in the future.

In 2024, in addition to optimizing the business model of land purchase, construction, and housing sales to make them more efficient, the Company will integrate internal and external resources in BOT business, construction business, property management, hotel operation and reinvestment, etc. Utilize the synergy of team resources and diversify operations to actively create various revenues.

### III. Future Development Strategy

Adhering to the business philosophy of "good location, good design, good construction, and fair price", and the spirit of "character, brand, and taste", we strive to carve out our core operations, expand diversified revenue channels, and expand into new markets. to create the growth momentum of Prince Housing & Development Corp. for the next 50 years. The future development strategy is to adhere to corporate governance, implement sustainable development, and build a century-old foundation, coupled with internal digital transformation and market diversification operations, in order to become a comprehensive developer with strong anti-risk capabilities and steady growth. The Board of Directors currently consists of 17 Directors, including 5 Independent Directors. The Board members come from a variety of professional backgrounds and have the knowledge, skills, and qualities required to carry out and expand diverse operations in a multifaceted market. They can also effectively supervise the management team to maximize value for shareholders, customers, society, and employees..

**Chairman: Chih-Hsien Lo    General Manager: Hung-Chun Lin    CAO: Ta-Chang Tai**



# Chapter II

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## Company Profile

### II. Company Profile

2.1 Date of Incorporation: September 22, 1973

2.2 Company History

Prince Housing & Development Corp. was founded on September 22, 1973 by Hsiu-Chi Wu, Yu-Li Hou, Zun-Xian Wu, Jyun-Jie Wu, Ching-Yuan Kao, Kao-Huei Cheng, Sheng-Ju Chuang, Xian-Fu Chuang, and Chang-Xing Wu. The changes in capital are as follows::

Year	Milestones
1973	Founded on September 22 with NT\$37.5 million capital.
1975	Increased Capital to NT\$97.5 million
1976	Increased capital to NT\$120 million
1977	Increased capital to NT\$150 million
1981	Increased capital to NT\$195 million
1983	Increased capital to NT\$273 million
1984	Increased capital to NT\$327.6 million
1989	Increased capital to NT\$1,300 million
1990	Increased capital to NT\$1,950 million
1991	Increased capital to NT\$2,925 million
1992	Increased capital to NT\$3,948.75 million
1993	Increased capital to NT\$5,330.81 million
1994	Increased capital to NT\$6,396.98 million
1995	Increased capital to NT\$7,036.67 million
1996	Increased capital to NT\$7,388.51 million
1997	Increased capital to NT\$7,979.59 million
1998	Increased capital to NT\$8,777.55 million
1999	Increased capital to NT\$9,216.43 million
2002	Decreased capital to NT\$9,150.76 million
2003	Decreased capital to NT\$9,058.40 million
2005	Decreased capital to NT\$9,013.33 million
2006	Decreased capital to NT\$8,651.26 million
2007	Increased capital to NT\$9,300.1 million
2008	Increased capital to NT\$9,579.11 million
2010	Increased capital to NT\$9,962.27 million
2011	Increased capital to NT\$10,858.88 million
2012	Increased capital to NT\$11,944.76 million
2013	Increased capital to NT\$16,139.24 million
2014	Increased capital to NT\$16,623.42 million
2015	Decreased capital to NT\$16,233.26 million



# Chapter III

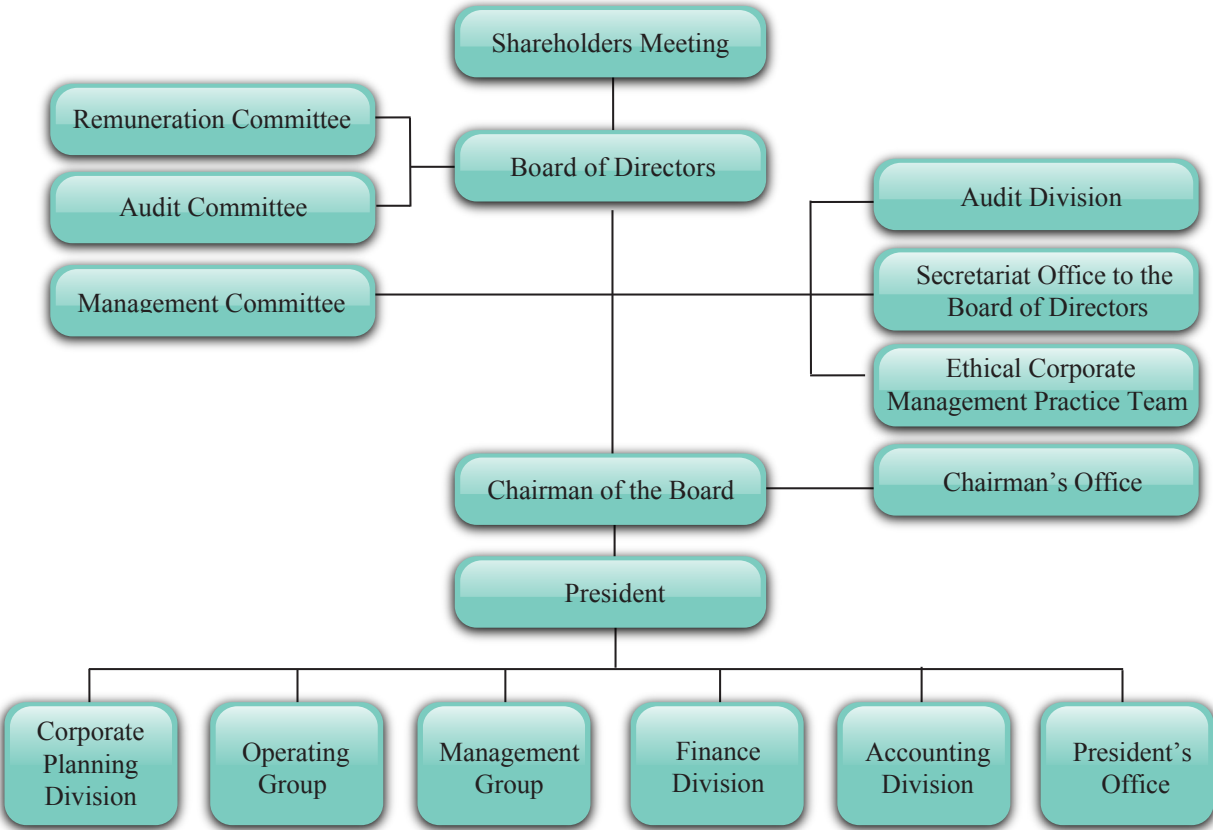
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## Corporate Governance Report

### III. Corporate Governance Report

3.1 Organization  
3.1.1 Organization Chart





### 3.1.2 Function of Each Department

Department	Functions
Audit Committee	Assist the Board of Directors in fulfilling its supervision of the Company in complying with the Company Act and the Securities and Exchange Act.
Remuneration Committee	Regulate and periodically review the policies, regulations, systems, standards and structures of performance appraisal and salary remuneration of the directors, supervisors and managers, and assess and regulate salary compensation of the directors, supervisors and managers on a regular basis.
Audit Division	Ensure the effectiveness of internal control system, strengthen corporate governance, and set up corporate risk assessment and risk management mechanism.
Secretariat Office to the Board of Directors	Implement corporate governance and comply with relevant laws and regulations. Provide directors and independent directors with the necessary information to carry out their business and handle matters related to the convening, re-election and operation of the general Shareholders meeting, Board of Directors, Audit Committee, Remuneration Committee and other meetings in accordance with the law.
Ethical Corporate Management Practice Team	Responsible for collecting and reviewing the implementation of integrity management by all relevant departments of the Company.
Chairman's Office	Assist Chairman to fulfill the responsibilities listed in Corporate Law, and contact the Secretariat Office of the Board to convene Board meetings regularly to discuss the Company's major motions and strategies in order to implement the Board's resolutions and be responsible to all shareholders.
President's Office	Responsible for land evaluation and development, construction design and planning, project progress and construction quality, etc., including quantity analysis, market survey and compilation, and construction law data collection and analysis.
Operating Group	Marketing research of property sales, sales planning and after-sales service, operation and management of fixed-income real estate.
Management Group	Management of administrative affairs, entrance security, recruitment, hiring, staff training and the integration and utilization of back-office sources.
Finance Division	Responsible for fund planning and scheduling, planning and implementation of financing projects for related companies, annual planning and budget tracking and control of every investment businesses, and maintenance of investor relations.
Accounting Division	Responsible for the accounting consolidation of company-wide transactions and the provision of taxation, asset management, cost calculation, and financial information related to various investment.
Corporate Planning Division	Plan and develop the Company's strategy and future business opportunities according to the Company's business direction.

### 3.2 Information of Directors, Supervisors and Management Team

#### 3.2.1 Directors

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender/ Age (Note 2)	Elected Date	Term (Years)	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding	
							Shares	%	Shares	%
Chairman (Institutional Shareholder)	Tainan City	Uni-President Enterprises Corp.	-	Jun. 17, 2022	3	Aug. 23, 1973 (Note 3)	162,743,264	10.02%	162,743,264	10.02%
Chairman (Representative)	R.O.C.	Chih-Hsien Lo (Note 6)	M 61-70	Jun. 17, 2022	3	Jun. 18, 2013	-	-	-	-
Director (Representative)	R.O.C.	Tsung-Ping Wu (Note 6)	M 51-60	Jun. 17, 2022	3	Jun. 18, 2013	-	-	-	-
Director (Institutional Shareholder)	Tainan City	Kao Chyuan Inv. Corp.	-	Jun. 17, 2022	3	Apr. 03, 1989 (Note 3)	68,464,308	4.22%	68,464,308	4.22%
Director (Representative)	R.O.C.	Shiow-Ling Kao (Note 6)	F 61-70	Jun. 17, 2022	3	Jun. 18, 2013	425,013	0.03%	425,013	0.03%
Director	R.O.C.	Chao-Mei Wu Tseng	F 81-90	Jun. 17, 2022	3	Apr. 26, 1986	42,956,030	2.65%	42,956,030	2.65%
Director (Institutional Shareholder)	Tainan City	Taiipo Inv. Co., Ltd.	-	Jun. 17, 2022	3	Apr. 03, 1989	116,730,587	7.19%	116,730,587	7.19%
Director (Representative)	R.O.C.	Chien-Te Wu (Note 6)	M 61-70	Jun. 17, 2022	3	Apr. 03, 1989	9,656,943	0.59%	9,656,943	0.59%
Director (Representative)	R.O.C.	Ping-Chih Wu (Note 7)	M 71-80	Jun. 17, 2022	3	Jun. 24, 2010	12,888,695	0.79%	12,888,695	0.79%
Director (Institutional Shareholder)	Tainan City	Young Yun Inv. Co., Ltd.	-	Jun. 17, 2022	3	Jun. 20, 2012	16,064,463	0.99%	16,201,463	1%
Director (Representative)	R.O.C.	Chung-Ho Wu (Note 6)	M 71-80	Jun. 17, 2022	3	Jun. 20, 2012	5,209,847	0.32%	5,209,847	0.32%
Director (Institutional Shareholder)	Taipei City	Hung Yao Inv. Co., Ltd.	-	Jun. 17, 2022	3	Jun. 24, 2010	2,346,491	0.14%	2,346,491	0.14%
Director (Representative)	R.O.C.	Shih-Hung Chuang (Note 6)	M 51-60	Jun. 17, 2022	3	Aug. 29, 2013	2,657,748	0.16%	2,657,748	0.16%
Director (Institutional Shareholder)	Taipei City	Sheng-Yuan Invest. Co., Ltd.	-	Jun. 17, 2022	3	Jun. 21, 2019	2,086,986	0.13%	2,086,986	0.13%
Director (Representative)	R.O.C.	Po-Yi Hou (Note 6)	M 71-80	Jun. 17, 2022	3	Jun. 15, 2004	13,701,215	0.84%	13,701,215	0.84%
Director (Institutional Shareholder)	Tainan City	Yu Peng Inv. Co., Ltd.	-	Jun. 17, 2022	3	Jun. 21, 2016	669,975	0.04%	1,169,975	0.07%
Director (Representative)	R.O.C.	Po-Ming Hou (Note 6)	M 61-70	Jun. 17, 2022	3	Jun. 15, 2004	22,923,624	1.41%	10,980,624	0.68%
Director (Institutional Shareholder)	Taipei City	Hsin Yung Hsing Investment Co., Ltd	-	Jun. 17, 2022	3	Apr. 26, 1986 (Note 3)	26,471,128	1.63%	26,471,128	1.63%
Director (Representative)	R.O.C.	Chih-Yuan Hou (Note 6)	M 31-40	Jun. 17, 2022	3	Jun. 21, 2019	11,330	0.00%	11,330	0.00%
Director (Institutional Shareholder)	Taipei City	Ruixing Intl. Inv. Co., Ltd.	-	Jun. 17, 2022	3	Jun. 21, 2019	47,584,139	2.93%	47,584,139	2.93%
Director (Representative)	R.O.C.	Ying-Chih Chuang (Note 6)	M 71-80	Jun. 17, 2022	3	Apr. 26, 1986	310,020	0.02%	310,020	0.02%
Independent Director	R.O.C.	Peng-Ling Nie	M 61-70	Jun. 17, 2022	3	Jun. 21, 2018	16,954	0.00%	16,954	0.00%
Independent Director	R.O.C.	Tse Hsiang Ting	M 61-70	Jun. 17, 2022	3	Jun. 17, 2022	-	-	-	-
Independent Director	R.O.C.	Meng-Hsiu Chen	M 51-60	Jun. 17, 2022	3	Jun. 17, 2022	156	0.00%	-	-
Independent Director	R.O.C.	Jun-Shen Tseng	M 61-70	Jun. 20, 2023	2	Jun. 20, 2023	-	-	-	-
Independent Director	R.O.C.	Chen-Ming Chang	F 61-70	Jun. 20, 2023	2	Jun. 20, 2023	-	-	-	-



Unit: Shares; Dec. 31, 2023

Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship (Note 6)		
						Title	Name	Relation
-	-	-	-	-	(Note 7)	-	-	-
425,013	0.03%	-	-	MBA, UCLA, USA	(Note 7)	Director	Shiow-Ling Kao	Spouse
-	-	-	-	BA, Dept. of Accounting, National Chung Yuan Christian University	(Note 7)	NA	NA	NA
-	-	-	-	-	(Note 7)	-	-	-
-	-	-	-	Marymount College USA	(Note 7)	Chairman	Chih-Hsien Lo	Spouse
-	-	-	-	Junior High School	(Note 7)	Director	Chien-Te Wu, Ping-Chih Wu, Shih-Hung Chuang	Son, Son, In-Law
-	-	-	-	-	(Note 7)	-	-	-
239,010	0.01%	-	-	MBA	(Note 7)	Director	Chao-Mei Wu Tseng, Ping-Chih Wu, Shih-Hung Chuang	Mother, Brother, In-Law
3,875,760	0.24%	-	-	MS of Chemical Engineering and MS of Industrial Management, USC, USA	(Note 7)	Director	Chien-Te Wu Tseng, Ping-Chih Wu, Shih-Hung Chuang	Mother, Brother, In-Law
-	-	-	-	-	(Note 7)	-	-	-
44,329	0.00%	-	-	BS, Dept. of Chemistry, Fu Jen Catholic University	(Note 7)	NA	NA	NA
-	-	-	-	-	-	-	-	-
-	-	-	-	MBA, Boston University, USA	(Note 7)	Director	Chao-Mei Wu Tseng, Ping-Chih Wu, Chien-Te Wu	In-Law
-	-	-	-	-	(Note 7)	-	-	-
-	-	-	-	BA, Dept. of Transportation & Communication Management, National Cheng Kung University	(Note 7)	Director	Po-Ming Hou Chih-Yuan Hou	Brother, Son
-	-	-	-	-	(Note 7)	-	-	-
-	-	11,943,000	0.74%	Chinese Culture University	(Note 7)	Director	Po-Yi Hou Chih-Yuan Hou	Brother, Uncle
-	-	-	-	-	-	-	-	-
-	-	-	-	Master's Degree, East Asian Languages and Civilizations, Harvard University, USA	(Note 7)	Director	Po-Yi Hou Po-Ming Hou	Son, Uncle
-	-	-	-	-	(Note 7)	-	-	-
5,624,933	0.35%	-	-	Hsing Wu University of Science and Tech.	(Note 7)	NA	NA	NA
-	-	-	-	Ph.D., Dept. of English Teaching, National Kaohsiung Normal University	(Note 7)	NA	NA	NA
-	-	-	-	Dept. of Public Finance, National Chung Hsing University	(Note 7)	NA	NA	NA
-	-	-	-	Ph.D., Dept. of Business Administration, National Sun Yat-sen University	(Note 7)	NA	NA	NA
-	-	-	-	Master's Degree, Biotechnology-Processes Development, National Chin-Yi University of Technology	(Note 7)	NA	NA	NA
-	-	-	-	Diploma of Communication Design, The Hong Kong Polytechnic University	(Note 7)	NA	NA	NA

Note 1: The institutional shareholder shall list the name of the legal person shareholder and the representative respectively (if it is a representative of the legal person shareholder, the name of the legal person shareholder shall be indicated), and shall fill in the following table 1.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time when first serving as a director of the Company. If there is any interruption, it should be noted. Uni-President Enterprises Corp. and Kao Chyuan Inv. Corp. terminated their director positions on Jun. 24, 2010 and reinstated on Jun. 18, 2013. Hsin Yung Hsing Investment Co., Ltd. terminated the director position on Jun. 18, 2004 and reinstated on Jun. 21, 2019.

Note 4: The experience related to the current position, such as working in the audit of the accounting firm or related company during the previous disclosure period, shall be stated the title and responsible position.

Note 5: If the Chairman of the Board of Directors and the president or a person with an equivalent position (top manager) are the same person, spouse or first-degree relative of each other, the reasons, rationality, necessity and countermeasures shall be explained (for example, the number of independent directors should be increased, and more than half of the directors should not be employees or managers, etc.): Considering the Company's operation and business scale, the Chairman of the Board of Directors also serves as the Chief Strategy Officer to formulate strategies in response to group operations, resource integration, etc., and is different from the president who is solely responsible for the Company's operations. By-electing two Independent Directors at shareholders meeting on Jun. 20, 2023 according to Article 4 of the Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers and the Articles of Incorporation. Relevant countermeasures will be added in accordance with laws and regulations in the future.

Note 6: Chih-Hsien Lo is the chairman representative of Uni-President Enterprises Corp; Tsung-Ping Wu is the director representative of Uni-President Enterprises Corp; Shiow-Ling Kao is the director representative of Kao Chyuan Inv. Corp; Chien-Te Wu and Ping-Chih Wu are the director representatives of Taipo Inv. Co., Ltd.; Chung-Ho Wu is the director representative of Young Yun Inv. Co., Ltd.; Shih-Hung Chuang is the director representative of Hung Yao Inv. Co., Ltd.; Po-Yi Hou is the director representative of Sheng-Yuan Invest. Co., Ltd.; Po-Ming Hou is the director representative of Yu Peng Inv. Co., Ltd.; Chih-Yuan Hou is the director representative of Hsin Yung Hsing Investment Co., Ltd.; Ying-Chih Chuang is the director representative of Ruixing Intl. Inv. Co., Ltd.

Note 7: Directors currently hold positions in the Company and other companies:

Name	Current Position Held in the Company and Other Companies
Uni-President Enterprises Corp.	Chairman of: Uni-President Vender Corp., Uni-President Organics Corp., President Chain Store Corp., Uni-President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., President Baseball Team Corp., Uni-President Development Corp., Uni-President Glass Industrial Co., Ltd., Kai Nan Investment Co., Ltd., Kai Yu Investment Co., Ltd., Prince Housing & Development Corp., Tung Ho Development Corp., Tone Sang Construction Corp., Grand Bills Finance Corp., Tung-Ren Pharmaceutical Corp., President Fair Development Corp., President Packaging Corp., President International Development Corp., ScinoPharm Taiwan Ltd., Uni-President Cold Chain Corp., Tait Marketing & Distribution Corp., Tung Lo Development Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., Nanlien International Corp., President Global Corp., Uni-President Express Corp., Presicarre Corp.
	Vice Chairman of: President Kikkoman Inc., President Nisshin Corp.
	Director of: Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., Nanlien International Corp., Uni-President Vender Corp., President International Development Corp., President Tokyo Corp., ScinoPharm Taiwan Ltd., Uni-President Organics Corp., Uni-President Cold Chain Corp., TTET Union Corp., Uni-President Natural Industrial Corp., Tait Marketing & Distribution Co., Ltd., President Chain Store Corp., Presicarre Corp., Tung Lo Development Corp., President Kikkoman Inc., Retail Support International Corp., President Baseball Team Corp., President Nisshin Corp., Uni-President Development Corp., Weilih Food Corp., Uni-President Dream Parks Corp., Presco Netmarketing Inc., Uni-President Glass Industrial Co., Ltd., President Transnet Corp., Prince Housing & Development Corp., Prince Industrial Co., Ltd., Tung Ho Development Corp., Mech-President Corp., Tone Sang Construction Corp., Tone Sang Construction Corp., Grand Bills Finance Corp., Tong Ren Corp., President Fair Development Corp., Cayman President Holdings Ltd., President Global Corp., PK Venture Capital Corp., Uni-President Express Corp.
	Supervisor of: Uni-President Vender Corp., Uni-Wonder Corp., President Baseball Team Corp., Uni-President Dream Parks Corp., Presco Netmarketing Inc., Uni-President Glass Industrial Co., Ltd., Tone Sang Construction Corp., Uni-President Express Corp.
Chih-Hsien Lo	Chairman of: Uni-President Enterprises Corp., President Chain Store Corp., Uni-President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Prince Housing & Development Corp., President Packaging Corp., President International Development Corp., ScinoPharm Taiwan Ltd., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., Nanlien International Corp., Uni-President Express Corp., Woongjin Foods Co.,Ltd., Daeyoung Foods Co.,Ltd., President Enterprises (China) Investment Co., Ltd., Changjiagang President Nisshin Food Co., Ltd., Uni-President (Philippines) Corp., Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., President Enterprises (China) Investment Co., Ltd., President Century Corp., President Property Corp., Prince Real Estate Co., Ltd., Times Square International Holding Company, Times Square International Stays Corp., Times Square International Hotel Corp., Cheng Shi Investment Holding Co., Ltd.
	Vice Chairman of: President Nisshin Corp.



Name	Current Position Held in the Company and Other Companies
Chih-Hsien Lo	<b>Director of:</b> Uni-Wonder Corp., Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Cayman President Holdings Ltd., Kai Yu(BVI) Investment Co.,Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Limited, Champ Green Capital Co., Ltd., Champ Green (Shanghai) Consulting Co., Ltd., Guangzhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Zhengzhou President Enterprises Co., Ltd., Beijing President Enterprises Drinks & Food Co., Ltd., President (Kunshan) Food Technology Co., Ltd., Nanchang President Enterprises Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprises Food Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprise Co., Ltd., Zhanjiang President Enterprise Co., Ltd., Chongqing President Enterprise Co., Ltd., Taizhou President Enterprises Co., Ltd., Akesu President Enterprise Co., Ltd., Changchun President Enterprise Co., Ltd., Uni-President Shanghai Management Consulting Co., Ltd., Uni-President Shanghai Pearly Century Co., Ltd., Baiyin President Enterprise Co., Ltd., Hainan President Enterprise Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprise Co., Ltd., Hangzhou President Enterprise Co., Ltd., Wuxue President Mineral Water Co., Ltd., Shijiezhuannng President Enterprise Co., Ltd., Xuzhou President Enterprise Co., Ltd., Henan President Enterprises Co., Ltd., President (Kunshan) Trading Co.,Ltd. Shanxi President Enterprises Corp., Jangsu President Enterprises Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., President (Kunshan) Food Technology Co., Ltd., President (Kunshan) Real Estate Development Co., Ltd., Ningxia President Enterprises Co., Ltd., Shanghai President Enterprises Co., Ltd., Inner Mongolia President Enterprises Co., Ltd., Shanxi President Enterprises Co., Ltd., Uni-President Enterprises (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Uni-President Enterprises (TianJin) Co., Ltd., Uni-OAO Travel Service Corp., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Uni-President Development Corp., President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Geng-Ding Co., Ltd.,President Chain Store(BVI) Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., Retail Support International Corp., Uni-President Assets Holdings Ltd., Kao Chyuan Inv. Corp.
	<b>Supervisor of:</b> Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd.
	<b>President of:</b> Presco Netmarketing Inc., Uni-President Express Corp.
	<b>Chairman of:</b> Ton Yi Pharmaceutical Corp., Kai Nan Investment Co., Ltd.
Tsung-Ping Wu	<b>Director of:</b> Grand Bills Finance Corp., Prince Housing & Development Corp., President Fair Development Corp., ScinoPharm Taiwan Ltd., Uni-President (Vietnam) Co.,Ltd., Uni-President International (HK) Co., Ltd., President Chain Store Corp., Kuang Chuan Dairy Co., Ltd., Cheng Shi Investment Holding Co., Ltd., President Entertainment Corp., Times Square International Holding Co., Ltd., Times Square International Hotel Co., Ltd., Prince Real Estate Co., Ltd. Uni-President Development Corp., Presicarre Corp.
	<b>Supervisor of:</b> President Kikkoman Inc., Kunshan President Kikkoman Biotechnology Co., Ltd., President International Development Corp., President Kikkoman Zhenji Foods Co., Ltd., President Century Corp., President Baseball Team Corp., Times Square International Stays Corp., Nanlien International Corp., Woongjin Foods Co.,Ltd., Daeyoung Foods Co.,Ltd., Uni-President Express Corp.
	<b>Director of:</b> Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan Ltd., President International Development Corp.
Kao Chyuan Inv. Corp.	<b>Managing Director of</b> Grand Bills Finance Corp.
	<b>Chairman of:</b> Kao Chyuan Investment Corp., President Being Corp., Grand Bills Finance Corp., Uni-President Department Store Corp., President Pharmaceutical Corp., President Drugstore Business Corp., Eternity Holdings Ltd., Infinity Holdings Ltd., Celestial Prosperities Holdings Ltd.
Shiow-Ling Kao	<b>Director of:</b> Uni-President Enterprises Corp., President Chain Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan Ltd., President International Development Corp., Uni-President Development Corp., Times Square International Hotel Corp., Uni-Wonder Corp., President (Shanghai) Health Product Trading Company Ltd., President Century Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., Times Square International Holding Company, Grape King Bio Ltd.
	<b>President of:</b> Kao Chyuan Investment Corp., President Fair Development Corp.
	<b>Director of:</b> Tsengs' Social Welfare Charity Foundation.
Chao-Mei Wu Tseng	<b>Managing Director of</b> Pun Fong Enterprise Co., Ltd.
	<b>Director of:</b> Taipo Inv. Co., Ltd., Cheng Ta Investment Co., Ltd., Tainan Spinning Co., Ltd., Wu Hsiou-Chi Cultural & Educational Foundation Executive, Times Square International Holding Company, Times Square International Hotel Corp.
	<b>Director of:</b> Uni-President Enterprises Corp., Tainan Spinning Co., Ltd., President Pharmaceutical Corp.
Taipo Inv. Co., Ltd.	<b>Managing Director of</b> Kuen Ching Intenaitonal Development Co., Ltd.
Chien-Te Wu	<b>Director of:</b> Times Square International Holding Company, Times Square International Hotel Corp.

Name	Current Position Held in the Company and Other Companies
Ping-Chih Wu	<b>Director of:</b> Uni-President Enterprises Corp., Kuen Ching Intenaitonal Development Co., Ltd., President Pharmaceutical Corp., Times Square International Holding Company, Times Square International Hotel Corp., P President Global Corp., Ameripee Inc.
	<b>President of:</b> President Global Corp., Ameripee Inc..
Young Yuan Inv. Co., Ltd.	<b>Director of:</b> Uni-President Enterprises Corp., Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd., Grand Bills Finance Corp.
Chung-Ho Wu	<b>Chairman of:</b> San Shing Spinning Co., Ltd.
	<b>Director of:</b> Uni-President Enterprises Corp., Tainan Spinning Co., Ltd., Nantex Industry Co., Ltd., Grand Bills Finance Corp., President Pharmaceutical Corp., Times Square International Holding Company, Times Square International Hotel Corp., Kuen Ching Intenaitonal Development Co., Ltd., Southern Taiwan University of Science and Technolog.
	<b>Supervisor of:</b> Nanmat Technology Co., Ltd.
Sheng-Yuan Inv. Co., Ltd.	<b>Director of:</b> Universal Cement Corp.
Po-Yi Hou	<b>Chairman of:</b> Universal Cement Corp.
	<b>Director of:</b> Times Square International Holding Company, Times Square International Hotel Corp.
Yu Peng Inv. Co., Ltd.	<b>Chairman of:</b> Tainan Spinning Co., Ltd.
	<b>Director of:</b> Uni-President Enterprises Corp.
Po-Ming Hou	<b>Chairman of:</b> Tainan Spinning Co., Ltd., Yu Peng Inv. Co., Ltd., Hsin Yu Peng Investment Co., Ltd., Nan Fan Housing Development Co., Ltd., Tainan Spinning Cultural & Educational oundation, T.S. Retail & Distribution Co., Ltd.
	<b>Director of:</b> Uni-President Enterprises Corp., President International Development Corp., ScinoPharm Taiwan Ltd., Nantex Industry Co., Ltd., Times Square International Holding Company, Times Square International Hotel Corp., Times Square International Stays Corp.,
ChihYuan Hou	<b>Director of:</b> Tainan Spinning Co., Ltd., Universal Cement Investment Co., Ltd., Huanchung Cement International Corp., Lioho Machine Works Ltd., Grand Bills Finance Corp., Nantex Industry Co., Ltd., Times Square International Holding Company, Times Square International Hotel Corp.
Shih-Hung Chuang	<b>Chairman of:</b> Hung Yao Inv. Co., Ltd.
	<b>Director of:</b> Times Square International Holding Company, Times Square International Hotel Corp., Times Square International Stays Corp.
Ruixing Intl. Inv. Co., Ltd.	<b>Director of:</b> Nantex Industry Co., Ltd.
Ying-Chih Chuang	<b>Chairman of:</b> Cheng Lang Investment Co., Ltd.
	<b>Director of:</b> Nantex Industry Co., Ltd., Tainan Spinning Co., Ltd., Taiwan Taffeta Fabric., Co., Ltd., Times Square International Holding Company, Times Square International Hotel Corp.
Peng-Ling Nie	<b>Audit Committee of</b> Prince Housing & Development Corp.
	<b>Compensation Committee of</b> Prince Housing & Development Corp., Tainan Spinning Co., Ltd.
	<b>Independent Director</b> Tainan Spinning Co., Ltd.
Tse Hsiang Ting	<b>Audit Committee of</b> Prince Housing & Development Corp.
	<b>Compensation Committee of</b> Prince Housing & Development Corp.
	<b>Independent Director of</b> Ta Yih Industrial Co., Ltd., Tekom Technologies, Inc.
Meng-Hsiu Chen	<b>Audit Committee of</b> Prince Housing & Development Corp.
	<b>Compensation Committee of</b> Prince Housing & Development Corp.
Jun-Shen Tseng	<b>Audit Committee of</b> Prince Housing & Development Corp.
	<b>Compensation Committee of</b> Prince Housing & Development Corp.
	<b>Independent Director of</b> TBB (Cambodia) Microfinance Institution Plc.
Chen-Ming Chang	<b>Audit Committee of</b> Prince Housing & Development Corp.
	<b>Compensation Committee of</b> Prince Housing & Development Corp.
	<b>Director of</b> Sacred Heart Education Development Foundation, The 9th Central News Agency of Taiwan.
	<b>ndependent Director of</b> NHOA Energy S.r.l.

Table 1: Major Shareholders of the Institutional Shareholders

Dec. 31, 2023

Name of Institutional Shareholder (Note 1)s	Major Shareholders of the Institutional Shareholders (Note 2)
Uni-President Enterprises Corp.	Kao Chyuan Inv. Co., Ltd. (5%), Cathay Life Insurance Co. Ltd. (4.52%), BNP Paribas Wealth Management Hong Kong Branch (3.02%), Po-Ming Hou (2.60%), Po-Yu Hou (2.27%), Chungwa Post Co., Ltd.(1.91%), Labor Pension Fund (1.83%), Government of Singapore(1.68%), Shiow-Ling Kao (1.64%), Labor Retirement Reserve Fund (1.44%)
Kao Chyuan Investment Co., Ltd.	Infinity Holdings Ltd. (51.11%), Eternity Holdings Ltd. (48.89%)
Taipo Investment Co., Ltd.	Ping-Chih Wu (21.17%), Ping-Yuan Wu (21.23%), Chien-Te Wu (19.26%), Wei-Te Wu (19.26%), Su-Mei Huang (9.03%), Chao-Mei Wu Tseng (8.62%), Cheng Ta Investment Co., Ltd. (1.43%)
Young Yun Investment Co., Ltd.	Chung-Ho Wu (24.52%), Wu Jyun Jie Charitable Foundation (24.65%), Bao-Huei Wu (8.50%), Man-Huei Wu (8.5%), Ai-Gui Huang (13.84%), Ping-Yi Wu (4.15%), Min-Ching Wu (4.15%), Han-Ting Cheng (4.15%), Mei-Siang Chen (3.4%), Cheng-Chieh Chiang (2.07%), Cheng-Wei Chiang (2.07%)
Hung Yao Investment Co., Ltd.	Shih-Hung Chuang (43.46%), Hsin-Yi Wu (42.46%), Yen-Yao Chuang (14.08%)
Sheng-Yuan Investment Co., Ltd	Bo-Yu Hou (99%), Chih-Sheng Hou (0.31%), ChihYuan Hou (0.31%), Ching-Chieh Hou Su (0.38%)
Yu Peng Investment Co., Ltd.	Po-Ming Hou (76.27%), Yi-Zhen Chang (23.73%)
Hsin Yung Hsing Investment Co., Ltd.	Bo-Yu Hou (32.09%), Po-Yi Hou (31.1%), Bo-Ming Hou (31.93%), Pi-Hua Hou Chen (1.42%), Ching-Chieh Hou Su (0.93%), Chih-Sheng Hou (0.85%), ChihYuan Hou (0.85%), Chin-Hua Ho (0.62%), Hou Hsing Overseas Company (0.21%)
Ruixing Intl. Inv. Co., Ltd.	Ying-Nan Chuang (5%), Ching-Chih Chuang Lin (10.93%), Chih-Chin Chuang (12.5%), Ying-Chih Chuang (1.57%), Yun-Ta Chuang (20%), Yu-Hsuan Chuang (10%), Chih-Yu Chuang Chen (5%), Ming-Hsuang Chuang (10%), Ting-Ya Chuang (12.5%), Hsiu-Wen Wang (12.5%)

Note 1: If the director is a representative of a legal person shareholder, the name of the legal person shareholder shall be filled in.

Note 2: Fill in the name of the major shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and the shareholding ratio. If the major shareholder is a legal person, the following table 2 shall be filled in again.

Note 3: If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder that should be disclosed in the previous section is the name of the investor or donor (refer to the announcement of the Judicial Yuan) and their capital contribution or donation. If the donor has passed away, add "Deceased".

Table 2: Major Institutional Shareholders of the Company

Dec. 31, 2023

Name of Institutional Shareholders	Name of Major Institutional Shareholders (Note 1)	Major Shareholders of the Major Institutional Shareholders (Note 2)
Uni-President Enterprises Corp.	Kao Chyuan Investment Co., Ltd.	Infinity Holdings Ltd. (51.11%), Eternity Holdings Ltd. (48.89%)
	Cathay Life Insurance Co. Ltd.	Cathay Financial Holding Co., Ltd. (100%)
	Chungwa Post Co., Ltd.	Ministry of Transportation and Communications, R.O.C. (100%)
Kao Chyuan Investment Co., Ltd.	Infinity Holdings Ltd.	Shiow-Ling Kao (55.91%), Chih-Hsien Lo (20.27%), Han-Di Kao (5.58%), Zi-Yi Kao (5.58%), Shi-Ai Lo (5.58%), Tianyuan Co., Ltd. (7.08%)
	Eternity Holdings Ltd	Shiow-Ling Kao (70.77%), Chih-Hsien Lo (21.18%), Han-Di Kao (2.35%), Zi-Yi Kao (1.72%), Shi-Ai Lo (1.57%), Tianyuan Co., Ltd. (2.41%)
Taipo Investment Co., Ltd.	Cheng Ta Investment Co., Ltd.	Wei-Te Wu (24.17%), Chien-Te Wu (24.17%), Ping-Chih Wu (24.17%), Ping-Yuan Wu (25.24%), Chao-Mei Wu Tseng(1.18%), Su-Mei Huang (1.07%)
Young Yun Investment Co., Ltd	Wu Jyun Jie Charity Foundation	Chung-Ho Wu (4.3%), Pao-Hui Wu(2.18%), Man- Hui Wu(1.9%)
Hsin Yung Hsing Inv. Co., Ltd.	Hou Hsing Overseas Company	Po-Yi Hou (28%), Po-Yu Hou (33.5%), Po-Ming Hou (33.5%), Chin-Chien Hou Su (4.95%), Chih-Sheng Hou (0.05%)

Note 1: If the major shareholder in Table 1 above is a legal person, fill in the name of the legal person.

Note 2: Fill in the names of the major shareholders of the legal person (whose shareholding ratio accounts for the top ten) and their shareholding ratio.

Note 3: If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder that should be disclosed in the previous section is the name of the investor or donor (refer to the announcement of the Judicial Yuan) and their capital contribution or donation. If the donor has passed away, add "Deceased".



## Director Information

## A. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Criteria Title & Name		Professional Qualification and Experience		Independence Criteria	Number of Independent Directorships Held in Other Public Companies
Chairman	Uni-President Enterprises Corp. Rep: Chih-Hsien Lo	Education	MBA, UCLA, USA	Chih-Hsien Lo & Shiow-Ling Kao are spouses.	0
		Experience	Executive Vice President and President of Uni-President Enterprises Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Kao Chyuan Inv. Corp. Rep: Shiow-Ling Kao	Education	Marymount College USA	Chih-Hsien Lo & Shiow-Ling Kao are spouses.	0
		Experience	Chairman of Kao Chyuan Inv. Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Uni-President Enterprises Corp. Rep: Tsung-Ping Wu	Education	BA, Dept. of Accounting, National Chung Yuan Christian University	-	0
		Experience	Senior Manager of Uni-President Enterprises Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Chao-Mei Wu Tseng	Education	Junior High School	Chao-Mei Wu Tseng & Chien-Te Wu, Ping-Chih Wu are mother & sons.	0
		Experience	Chairman of Consortium legal person Tseng's Children Social Welfare Charity Foundation		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Taipo Inv. Co., Ltd. Rep: Ping-Chih Wu	Education	MS of Chemical Engineering and MS of Industrial Management, USC, USA	Chao-Mei Wu Tseng & Ping-Chih Wu are mother & son. Ping-Chih Wu & Chien-Te Wu are brothers.	0
		Experience	Director of Uni-President Enterprises Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Taipo Inv. Co., Ltd. Rep: Chien-Te Wu	Education	MBA	Chao-Mei Wu Tseng & Chien-Te Wu are mother & son. Chien-Te Wu & Ping-Chih Wu are brothers.	0
		Experience	Director of Kuen Ching Intenaitonal Development Co., Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Young Yun Inv. Co., Ltd. Rep: Chung-Ho Wu	Education	BS, Dept. of Chemistry, Fu Jen Catholic University	-	0
		Experience	Director of San Shing Spinning Co., Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Hung Yao Inv. Co., Ltd. Rep: Shih-Hung Chuang	Education	MBA, Boston University, USA	-	0
		Experience	Chairman of Hung Yao Inv. Co., Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			

Criteria Title & Name		Professional Qualification and Experience		Independence Criteria	Number of Independent Directorships Held in Other Public Companies
Director	Sheng-Yuan Inv. Co., Ltd. Rep: Po-Yu Hou	Education	BA, Dept. of Transportation & Communication Management, National Cheng Kung University	Po-Yu Hou & Chih-Yuan Hou are father & son Po-Yu Hou & Po-Ming Hou are brothers.	0
		Experience	Chairman of Universal Cement Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Yu Peng Inv. Co.,Ltd. Rep: Po-Ming Hou	Education	Chinese Culture University	Po-Ming Hou & Po-Yu Hou are brothers.	0
		Experience	Chairman of Yu Peng Inv. Co.,Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Hsin Yung Hsing Inv. Co.,Ltd. Rep: Chih-Yuan Hou	Education	Master Degree, East Asian Languages and Civilizations, Harvard University, USA	Chih-Yuan Hou & Po-Yu Hou are father & son	0
		Experience	Vice President of Universal Cement Corp.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Director	Ruixing Intl. Inv. Co., Ltd. Rep: Ying-Chih Chuang	Education	Hsing Wu University	-	1
		Experience	Chairman of Cheng Lang Investment Co., Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Independent Director	Peng-Ling Nie	Education	Ph.D., Dept. of English Teaching, National Kaohsiung Normal University	(1) The person, spouse, or relative within the second degree of kinship is not a director, supervisor or employee of the Company or its affiliates. (2) The number of the Company's shares (Prince) held by the person, spouse, relative within the second degree of kinship, or under others' names is 0 shares, in an aggregate weighting of 0% of the total number of issued shares of the Company. (3) Not a director, supervisor or employee of the Company or any its affiliates. (4) The amount of compensation obtained from providing commercial, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years was NT\$0.	1
		Experience	Independent Director of Tainan Spinning Co., Ltd.,		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			



Criteria Title & Name		Professional Qualification and Experience		Independence Criteria	Number of Independent Directorships Held in Other Public Companies
Independent Director	Tse Hsiang Ting	Education	Dept. of Public Finance, National Chung Hsing Univ.	(1) The person, spouse, or relative within the second degree of kinship is not a director, supervisor or employee of the Company or its affiliates.  (2) The number of the Company's shares (Prince) held by the person, spouse, relative within the second degree of kinship, or under others' names is 0 shares, in an aggregate weighting of 0% of the total number of issued shares of the Company.  (3) Not a director, supervisor or employee of the Company or any its affiliates.  (4) The amount of compensation obtained from providing commercial, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years was NT\$0	2
		Experience	Independent Director of Ta Yih Industrial Co., Ltd.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Independent Director	Meng-Hsiu Chen	Education	Ph.D., Dept. of Business Administration, National Sun Yat-sen Univ.	(1) The person, spouse, or relative within the second degree of kinship is not a director, supervisor or employee of the Company or its affiliates.  (2) The number of the Company's shares (Prince) held by the person, spouse, relative within the second degree of kinship, or under others' names is 0 shares, in an aggregate weighting of 0% of the total number of issued shares of the Company.  (3) Not a director, supervisor or employee of the Company or any its affiliates.  (4) The amount of compensation obtained from providing commercial, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years was NT\$0.	0
		Experience	Associate Professor, Department of Finance, Southern Taiwan University of Science and Technology		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			

Criteria Title & Name		Professional Qualification and Experience		Independence Criteria	Number of Independent Directorships Held in Other Public Companies
Independent Director	Jun-Shen Tseng	Education	Master Degree, Biotechnology-Processes Development, National Chin-Yi University of Technology	(1) The person, spouse, or relative within the second degree of kinship is not a director, supervisor or employee of the Company or its affiliates.  (2) The number of the Company's shares (Prince) held by the person, spouse, relative within the second degree of kinship, or under others' names is 0 shares, in an aggregate weighting of 0% of the total number of issued shares of the Company.  (3) Not a director, supervisor or employee of the Company or any its affiliates.  (4) The amount of compensation obtained from providing commercial, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years was NT\$0.	0
		Experience	Independent Director of TBB (Cambodia) Microfinance Institution Plc.		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			
Independent Director	Chen-Ming Chang	Education	Diploma of Communication Design, Hong Kong Polytechnic University	(1) The person, spouse, or relative within the second degree of kinship is not a director, supervisor or employee of the Company or its affiliates.  (2) The number of the Company's shares (Prince) held by the person, spouse, relative within the second degree of kinship, or under others' names is 0 shares, in an aggregate weighting of 0% of the total number of issued shares of the Company.  (3) Not a director, supervisor or employee of the Company or any its affiliates.  (4) The amount of compensation obtained from providing commercial, legal, financial, accounting and other services to the Company or its affiliated companies in the last two years was NT\$0.	0
		Experience	Associate professor of Department of Commercial Design in Chung Yuan Christian University		
		Professional Qualification	Refer to Note 1.		
		None of the conditions defined in Article 30 of the Company Law is violated.			

## B. Diversity and Independence of the Board of Directors:

### 1. Diversity of the Board of Directors:

- a. Article 20 of The Company's Code of Practice for Corporate Governance has stated the abilities of the Board and developed a diversified policy for the composition of the Board members and the directors concurrently serving as Company officers, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

Basic requirements and values: Gender, age, nationality and culture etc.

Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing and technology), expertise and industry experience.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: (1) Operational judgments (2) Accounting and financial analysis skills (3) Management (4) Crisis management (5) Industry knowledge (6) International market insight (7) Leadership (8) Decision making.

### b. The current status of the diversity of the Board of Directors:

#### (1). Basic requirements and values: Gender, age, nationality and culture

The 17th Board of Directors of the Company has a total of 17 directors (including 5 independent directors), and 5 of them have master's degrees from well-known American universities, which is rare in the domestic construction industry. They often provide new international concepts compared to domestic traditional concepts, which make a significant contribution to the Company's long-term development.

The management goal of the Company's independence policy is that the proportion of independent directors must be 20%. The proportion of independent directors for this year is 29%, which is in line with the Company's target; the proportion of female directors is 18%. Due to the characteristics of the construction industry, the proportion of female employees is low. The Company is committed to maintaining a considerable proportion of female directors. The proportion of directors with employee status is 12%, and all directors with management and operation expertise are hired according to the Company's needs.

#### (2). Professional knowledge and skills: Professional background, expertise and industry experience: Directors:

The education background of directors includes MBA, UCLA, USA; BA, Department of Accounting; Marymount College USA; MS of Chemical Engineering and MS of Industrial Management, USC, USA; MBA, Boston University, USA; Master's Degree, East Asian Languages and Civilizations, Harvard University, USA; BA, Department of Accounting, National Chung Yuan Christian University; Department of Chemistry, Fu Jen Catholic University; Department of Transportation Management, National Cheng Kung University; Chinese Culture University; Hsing Wu University.

Among the Board members of the company, Chairman Chih-Hsien Lo has served as the Chairman of many listed companies such as Uni-President Enterprise Corp., President Chain Store Corp., and ScinoPharm Taiwan., Ltd. The companies under his leadership have repeatedly hit record highs in revenue and profit. Director Po-Yi Hou, as the Chairman of Universal Cement Corp., has been deeply involved in the building materials industry for more than 30 years, and has given guidance and suggestions to the Company's construction industry. Director Po-Ming Hou served as the Chairman of Tainan Spinning Co., Ltd., leading the development of Tainan

Spinning Co., Ltd., setting up factories in Vietnam early, and successfully expanding overseas business. Director Shih-Hung Chuang has served as the CEO of well-known W HOTEL Taipei and Hotel Resonance Taipei. W HOTEL has been in operation since 2011, and Hotel Resonance Taipei has been in operation since the end of 2020. Both the housing price and the occupancy rate are among the top five-star hotels in the domestic industry. Director Shih-Hung Chuang has led the world's advanced knowledge of hotel management, and has given a lot of advice to the Company's hotel operations, which is very helpful.

Independent Directors:

The education background of independent directors includes Ph.D., Department of English Teaching, National Kaohsiung Normal University, CPA and CPA firm director, rich experience in the financial and banking industry, Master Degree, Biotechnology-Processes Development, National Chin-Yi University of Technology and Diploma of Communication Design, The Hong Kong Polytechnic University.

Please refer to (Note 1) for the basic composition and professional competence of Board members.

### 2. Independence of the Board of Directors:

Independent directors, which meets the requirement of Article 14-2 of the Securities and Exchange Act that the number of independent shall not be less than two, and not less than one-fifth of the number of directors. More than half of the directors have no spouse or relatives within second degree of kinship.

Note 1: Basic composition and professional competence of Board of Directors

Criteria Name	Basic Composition			
	Nationality	Gender	An employee/ management of the Company	The tenure of Independent Director 3-9Year
Chih-Hsien Lo	R.O.C.	M	✓	
Shiow-Ling Kao	R.O.C.	F		
Tsung-Ping Wu	R.O.C.	M		
Chao-Mei Wu Tseng	R.O.C.	F		
Ping-Chih Wu	R.O.C.	M		
Chien-Te Wu	R.O.C.	M		
Chung-Ho Wu	R.O.C.	M		
Shih-Hung Chuang	R.O.C.	M		
Po-Yi Hou	R.O.C.	M		
Po-Ming Hou	R.O.C.	M		
Chih-Yuan Hou	R.O.C.	M		
Ying-Chih Chuang	R.O.C.	M		
Peng-Ling Nie	R.O.C.	M		✓
Tse Hsiang Ting	R.O.C.	M		
Meng-Hsiu Chen	R.O.C.	M		
Chen-Ming Chang	R.O.C.	F		
Jun-Shen Tseng	R.O.C.	M		



Criteria Name	Professional Competence									
	Professional Background	Operational Judgment	Management	Accounting & Finance	Business & Economics	Crisis Management	Industry Experiences	Global Market Relation	Leadership	Decision Making
Chih-Hsien Lo	Business Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shiow-Ling Kao	Business Administration	✓	✓		✓	✓	✓	✓	✓	✓
Tsung-Ping Wu	Business	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chao-Mei Wu Tseng	Finance	✓	✓	✓	✓	✓	✓		✓	✓
Ping-Chih Wu	Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chien-Te Wu	Chemical Engineering & Industrial Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chung-Ho Wu	Administration	✓	✓		✓	✓	✓	✓	✓	✓
Shih-Hung Chuang	Chemistry	✓	✓		✓	✓	✓	✓	✓	✓
Po-Yi Hou	Business Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Po-Ming Hou	Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chih-Yuan Hou	Finance	✓	✓		✓	✓	✓	✓	✓	✓
Ying-Chih Chuang	Business Administration	✓	✓		✓	✓	✓	✓	✓	✓
Peng-Ling Nie	Business Administration	✓	✓		✓	✓	✓	✓	✓	✓
Tse Hsiang Ting	Administration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Meng-Hsiu Chen	Accountant	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen-Ming Chang	Administration		✓				✓	✓	✓	✓
Jun-Shen Tseng	Advertising Design	✓	✓		✓	✓	✓	✓	✓	✓

### 3.2.2 Management Team

Unit: Shares; Dec. 31, 2023

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chief Strategy Officer	R.O.C.	Chih-Hsien Lo	M	Aug. 18, 2017	0	0	425,013	0.03%	0	0	MBA, UCLA, USA	Note 4	-	-	-
President	R.O.C.	Hung-Chun Lin	M	Jun. 27, 2022	70,000	0.00%	0	0	0	0	BA Dept. of Business Administration, Aletheia University	Note 4	-	-	-
Vice President	R.O.C.	Hung-Yu Wu	M	Nov. 10, 2023	0	0	0	0	0	0	BA, Dept. of Accounting, National Cheng Kung University	Note 4	-	-	-
Vice President	R.O.C.	Xiao-Yu Chiang	M	Nov. 3, 2016	0	0	0	0	0	0	National Taiwan University of Science & Tech.	Note 4	-	-	-
Assistant Vice President	R.O.C.	Jian-Ying Wu	M	Sep. 1, 2013	10,300	0.00%	0	0	0	0	MBA, George Washington University, USA	Note 4	-	-	-
Assistant Vice President (CFO)	R.O.C.	Chun-Liang Lin	M	Sep. 1, 2013	124,909	0.01%	0	0	0	0	MBA, University of South Australia	Note 4	-	-	-
Assistant Vice President (Corporate Governance Officer and Chief Information Security Officer)	R.O.C.	Chun-Cheng Kuo	M	Sep. 1, 2013	372,860	0.02%	0	0	0	0	BS, Dept. of Architecture, HuaFan University	Note 4	-	-	-
Assistant Vice President	R.O.C.	Shu-Ching Chang	F	Nov. 4, 2022	0	0	0	0	0	0	Chung Hwa Medical University	Note 4	-	-	-
Manager (Head of Accounting Division)	R.O.C.	Da-Chang Tai	M	Jul. 1, 2006	313,517	0.02%	0	0	0	0	BA, Dept. of Accounting, National Cheng Kung University	Note 4	-	-	-

Note 1: It should include the information of the president, vice president, assistant vice president, and heads of various departments. Any person whose position is equivalent to the president, vice president, assistant vice president, regardless of the title, should also be disclosed.

Note 2: Managers who have ever hold positions in the auditor's agency or its affiliated companies: None.

Note 3: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed. By-electing two Independent Directors at shareholders meeting on Jun. 20, 2023 according to Article 4 of the Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers and the Articles of Incorporation. Relevant countermeasures will be added in accordance with laws and regulations in the future.

Note 4: Managers currently hold positions in the Company and other companies

Name	Current Position Held in the Company and Other Companies
Chih-Hsien Lo	Chairman of: Uni-President Enterprises Corp., Kuen Ching Intenaional Development Co., Ltd., President Pharmaceutical Corp., Times Square International Holding Company, Times Square International Hotel Corp., P President Global Corp., Ameripee Inc.
	Vice Chairman of: President Nisshin Corp.
	Director of: Presicarre Corp., Uni-Wonder Corp., Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Cayman President Holdings Ltd., Kai Yu(BVI) Investment Co.,Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Limited, Champ Green Capital Co., Ltd., Champ Green (Shanghai) Consulting Co., Ltd., Guangzhou President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Zhengzhou President Enterprises Co., Ltd., Beijing President Enterprises Drinks & Food Co., Ltd., President (Kunshan) Food Technology Co., Ltd., Nanchang President Enterprises Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprises Food Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprise Co., Ltd., Zhanjiang President Enterprise Co., Ltd., Chongqing President Enterprise Co., Ltd., Taizhou President Enterprises Co., Ltd., Akesu President Enterprise Co., Ltd., Changchun President Enterprise Co., Ltd., Uni-President Shanghai Management Consulting Co., Ltd., Uni-President Shanghai Pearly Century Co., Ltd., Baiyin President Enterprise Co., Ltd., Hainan President Enterprise Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprise Co., Ltd., Hangzhou President Enterprise Co., Ltd., Wuxue President Mineral Water Co., Ltd., Shijiezhuanng President Enterprise Co., Ltd., Xuzhou President Enterprise Co., Ltd., Henan President Enterprises Co., Ltd., President (Kunshan) Trading Co.,Ltd. Shanxi President Enterprises Corp., Jangsu President Enterprises Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., President (Kunshan) Food Technology Co., Ltd., President (Kunshan) Real Estate Development Co., Ltd., Ningxia President Enterprises Co., Ltd., Shanghai President Enterprises Co., Ltd., Inner Mongolia President Enterprises Co., Ltd., Shanxi President Enterprises Co., Ltd., Uni-President Enterprises (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Uni-President Enterprises (TianJin) Co., Ltd., Hunan President Enterprises Co., Ltd., Uni-OAO Travel Service Corp., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Uni-President Development Corp., President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Geng-Ding Co., Ltd.,President Chain Store(BVI) Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., Retail Support International Corp., Uni-President Assets Holdings Ltd., Prince Property Management Consulting Co., Kao Chyuan Inv. Corp.
	Supervisor of: Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd.
	President of: Presco Netmarketing Inc., Uni-President Express Corp.
Hung Chun Lin	Chairman of: Prince Industrial Corp., Prince Chong-De Industrial Corp., Prince Da-Li-Yi Industrial Corp.
	Director of: Prince Property Management Consulting Co., Ta Chen Construction & Engineering Corp., Prince Security & Guard Co., Ltd., Prince Apartment Management & Maintenance Co., Ltd.
	Supervisor of: Cheng-Shi Construction Co., Ltd.
	President of: Prince Property Management Consulting Co.
Meng-Hsiu Chen	Director of: Prince Real Estate Co., Ltd., Jin-Yi-Xing Plywood Co., Ltd.
	Supervisor of: Prince Property Management Consulting Co., The Splendor Hospitality International Co., Ltd.
Xiao-Yu Chiang	Director of: Cheng-Shi Construction Co., Ltd., Prince Chong-De Industrial Corp., Prince Da-Li-Yi Industrial Corp.
Jian-Ying Wu	Director of: Geng-Ding Co., Ltd.
Chun-Liang Lin	Chairman of: Prince Property Management Consulting Co., Prince Security & Guard Co., Ltd., Prince Apartment Management & Maintenance Co., Ltd.
	Director of: The Splendor Hospitality International Co., Ltd., Prince Industrial Corp.
	Supervisor of: Prince Utility Co., Ltd., Prince Chong-De Industrial Corp., Prince Da-Li-Yi Industrial Corp.
Chun-Cheng Ku	Chairman of: Prince Housing Investment Corp., Prince Utility Co., Ltd.
	Director of: Prince Real Estate Co., Ltd., Ta Chen Construction & Engineering Corp., Prince Industrial Corp., Geng-Ding Co., Ltd., Prince Property Management Consulting Co., Prince Security & Guard Co., Ltd., Prince Apartment Management & Maintenance Co., Ltd.
	Supervisor of: Cheng-Shi Investment Holdings Co., Ltd.
Shu-Ching Chang	Director of: Prince Utility Co., Ltd., Prince Chong-De Industrial Corp., Prince Da-Li-Yi Industrial Corp.
Da-Chang Tai	Chairman of: Jin-Yi-Xing Plywood Co., Ltd.
	Supervisor of: Prince Industrial Corp., Prince Security & Guard Co., Ltd., Prince Apartment Management & Maintenance Co., Ltd.

### 3.2.3 Remuneration Paid to Directors, Independent Directors, President, and Vice Presidents

#### A. Remuneration of Directors and Independent Directors

Unit: NT\$ thousand; Dec. 31, 2023

Title	Name	Remuneration								Summation of A, B, C, and D and as % of Net Income	
		Salary (A)		Pensions (B)		Remuneration (C)		Allowances (D)			
		PHD	All Consolidated Companies	PHD	All Consolidated Companies	PHD	All Consolidated Companies	PHD	All Consolidated Companies	PHD	All Consolidated Companies
Chairman	Uni-President Enterprises Corp.	-	7,997	-	-	22,238	22,238	3,660	3,660	25,898 4.37%	25,898 5.72%
Director	Kao Chyuan Inv. Co., Ltd.										
Director	Taipo Inv. Co., Ltd.										
Director	Young Yun Inv. Co., Ltd.										
Director	Hung Yao Inv. Co., Ltd.										
Director	Sheng-Yuan Inv. Co., Ltd.										
Director	Yu Peng Inv. Co., Ltd.										
Director	Hsin Yung Hsing Inv. Co., Ltd.										
Director	Ruixing Intl. Inv. Co., Ltd.										
Chairman	Chih-Hsien Lo (Note 1)										
Director	Shiow-Ling Kao (Note 1)										
Director	Tsung-Ping Wu (Note 1)										
Director	Ping-Chih Wu (Note 1)										
Director	Chien-Te Wu (Note 1)										
Director	Chao-Mei Wu Tseng										
Director	Chung-Ho Wu (Note 1)										
Director	Shih-Hung Chuang (Note 1)										
Director	Po-Ming Hou (Note 1)										
Director	Po-Yi Hou (Note 1)										
Director	Chih-Yuan Hou (Note 1)										
Director	Ying-Chih Chuang (Note 1)										
Independent Director	Peng-Ling Nie	-	-	-	-	-	-	2,984	2,984	2,984 0.50%	2,984 0.50%
Independent Director	Tse Hsiang Ting										
Independent Director	Meng-Hsiu Chen										
Independent Director	Jun-Shen Tseng (acceded on 2023.06.20)										
Independent Director	Chen-Ming Chang (acceded on 2023.06.20)										
Total		-	7,997	-	-	22,238	22,238	6,644	6,644	28,882 4.87%	36,879 6.22%

- Explanation of the policy, system, standard and structure of the remuneration, and explain the nature of the remuneration according to the responsibilities, risks, connection time and other factors: in order to consider the responsibilities and professionalism of independent directors and not participate in the annual director's remuneration distribution, and to take into account the attendance rate of



independent directors and the situation of participating in further education according to regulations, the 2nd Board of Directors meeting of session sixteen passed the resolution of the monthly fixed payment for business execution expense is about NT\$60,000.

2. In addition to above information, remuneration to Directors who provide services to PHD or affiliated companies: None.

\* Please list the relevant information of directors (ordinary directors who are not independent directors) and independent directors separately.

Unit: NT\$ thousand; Dec. 31, 2023

Title	Name	Compensation to Directors Also Serving as Company Employees								Summation of A, B, C, D, E, F, and G and as % of Net Income		Compensation from Affiliates Other than Subsidiarie
		Salary, Bonuses, and Special Allowances (E)		Pensions (F)		Employee Profit Sharing (G)						
		PHD	All Consolidated Companies	PHD	All Consolidated Companies	All Consolidated Companies		PHD		PHD	All Consolidated Companies	
						Cash	Stock	Cash	Stock			
Chairman	Uni-President Enterprises Corp.	5,804	8,304	-	-	7,844	-	7,844	-	39,546 6.68%	50,043 8.45%	17,769
Director	Kao Chyuan Inv. Co., Ltd.											
Director	Taipo Inv. Co., Ltd.											
Director	Young Yun Inv. Co., Ltd.											
Director	Hung Yao Inv. Co., Ltd.											
Director	Sheng-Yuan Inv. Co., Ltd.											
Director	Yu Peng Inv. Co., Ltd.											
Director	Hsin Yung Hsing Inv. Co., Ltd.											
Director	Ruixing Intl. Inv. Co., Ltd.											
Chairman	Chih-Hsien Lo (Note 1)											
Director	Shiow-Ling Kao (Note 1)											
Director	Tsung-Ping Wu (Note 1)											
Director	Ping-Chih Wu (Note 1)											
Director	Chien-Te Wu (Note 1)											
Director	Chao-Mei Wu Tseng											
Director	Chung-Ho Wu (Note 1)											
Director	Shih-Hung Chuang (Note 1)											
Director	Po-Ming Hou (Note 1)											
Director	Po-Yi Hou (Note 1)											
Director	Chih-Yuan Hou (Note 1)											
Director	Ying-Chih Chuang (Note 1)											
Independent Director	Peng-Ling Nie	-	-	-	-	-	-	-	-	2,984 0.50%	2,984 0.50%	-
Independent Director	Tse Hsiang Ting											
Independent Director	Meng-Hsiu Chen											
Independent Director	Jun-Shen Tseng (acceded on 2023.06.20)											
Independent Director	Chen-Ming Chang (acceded on 2023.06.20)											
Total		5,804	8,304	-	-	7,844	-	7,844	-	42,530 7.18%	53,027 8.95%	17,769

### Range of Remuneration for Directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	PHD	All Consolidated Companies	PHD	All Consolidated Companies
Under NT\$1,000,000	Chih-Hsien Lo, Tsung-Ping Wu, Shiow-Ling Kao, Chien-Te Wu, Ping-Chih Wu, Chung-Ho Wu, Shih-Hung Chuang, Po-Ming Hou, Po-Yi Hou, Chih-Yuan Hou, Ying-Chih Chuang, Peng-Ling Nie, Meng-Hsiu Chen, Tse Hsiang Ting, Jun-Shen Tseng, Chen-Ming Chang	Tsung-Ping Wu, Shiow-Ling Kao, Chien-Te Wu, Ping-Chih Wu, Chung-Ho Wu, Shih-Hung Chuang, Po-Ming Hou, Po-Yi Hou, Chih-Yuan Hou, Ying-Chih Chuang, Peng-Ling Nie, Meng-Hsiu Chen, Tse Hsiang Ting, Jun-Shen Tseng, Chen-Ming Chang	Tsung-Ping Wu, Shiow-Ling Kao, Chien-Te Wu, Ping-Chih Wu, Chung-Ho Wu, Shih-Hung Chuang, Po-Ming Hou, Po-Yi Hou, Chih-Yuan Hou, Ying-Chih Chuang, Peng-Ling Nie, Meng-Hsiu Chen, Tse Hsiang Ting, Jun-Shen Tseng, Chen-Ming Chang	Shiow-Ling Kao, Chien-Te Wu, Ping-Chih Wu, Chung-Ho Wu, Po-Yi Hou, Chih-Yuan Hou, Ying-Chih Chuang, Peng-Ling Nie, Meng-Hsiu Chen, Tse Hsiang Ting, Jun-Shen Tseng, Chen-Ming Chang
NT\$1,000,000 ~ NT\$2,000,000	Kao Chyuan Inv. Co., Ltd., Young Yun Inv. Co., Ltd., Hung Yao Inv. Co., Ltd., Ruixing Intl. Inv. Co., Ltd., Yu Peng Inv. Co., Ltd., Sheng-Yuan Inv. Co., Ltd., Hsin Yung Hsing Inv. Co., Ltd., Chao-Mei Wu Tseng	Kao Chyuan Inv. Co., Ltd., Young Yun Inv. Co., Ltd., Hung Yao Inv. Co., Ltd., Ruixing Intl. Inv. Co., Ltd., Yu Peng Inv. Co., Ltd., Sheng-Yuan Inv. Co., Ltd., Hsin Yung Hsing Inv. Co., Ltd.	Kao Chyuan Inv. Co., Ltd., Young Yun Inv. Co., Ltd., Hung Yao Inv. Co., Ltd., Ruixing Intl. Inv. Co., Ltd., Yu Peng Inv. Co., Ltd., Sheng-Yuan Inv. Co., Ltd., Hsin Yung Hsing Inv. Co., Ltd., Chao-Mei Wu Tseng	Hung Yao Inv. Co., Ltd., Yu Peng Inv. Co., Ltd., Sheng-Yuan Inv. Co., Ltd., Hsin Yung Hsing Inv. Co., Ltd., Tsung-Ping Wu, Po-Ming Hou
NT\$2,000,000 ~ NT\$3,500,000	-	Chao-Mei Wu Tseng	-	Kao Chyuan Inv. Co., Ltd., Young Yun Inv. Co., Ltd., Ruixing Intl. Inv. Co., Ltd., Chao-Mei Wu Tseng, Shih-Hung Chuang
NT\$3,500,000 ~ NT\$5,000,000	Taipo Inv. Co., Ltd.	Taipo Inv. Co., Ltd.	Taipo Inv. Co., Ltd.	Taipo Inv. Co., Ltd.
NT\$5,000,000 ~ NT\$10,000,000	Uni-President Enterprises Corp.	Uni-President Enterprises Corp., Chih-Hsien Lo	Uni-President Enterprises Corp.	-
NT\$10,000,000 ~ NT\$15,000,000	-	-	Chih-Hsien Lo	-
NT\$15,000,000 ~ NT\$30,000,000	-	-	-	Uni-President Enterprises Corp.,
NT\$30,000,000 ~ NT\$50,000,000	-	-	-	-
NT\$50,000,000 ~ NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	26	26	26	26

Supplementary Note: In the above table, the grades attributable to the various remunerations paid by the company to each director are calculated based on the estimated total amount of each remuneration and the proportion of the actual distribution amount last year.

Note 1: The names of directors should be listed separately (for legal person shareholders, the names of legal person shareholders and representatives should be listed separately), general directors and independent directors should be listed separately, and the payment amounts should be disclosed in a summary manner.

Chih-Hsien Lo is the chairman representative of Uni-President Enterprises Corp., Shioh-Ling Kao is the director representative of Kao Chyuan Inv. Co., Ltd., Tsung-Ping Wu is the director representative of Uni-President Enterprises Corp., Chien-Te Wu and Ping-Chih Wu are the director representative of Taipo Inv. Co., Ltd., Chung-Ho Wu is the director representative of Young Yun Inv. Co., Ltd., Shih-Hung Chuang is the director representative of Hung Yao Inv. Co., Ltd., Po-Ming Hou is the director representative of Yu Peng Inv. Co., Ltd., Po-Yi Hou is the director representative of Sheng-Yuan Inv. Co., Ltd., Chih-Yuan Hou is the director representative of Hsin Yung Hsing Inv. Co., Ltd., Ying-Chih Chuang is the director representative of Ruixing Intl. Inv. Co., Ltd.

Note 2: Refers to the remuneration of directors in the most recent year (including director salaries, job bonuses, severance pay, various bonuses, incentives, etc.).

Note 3: Fill in the amount of directors' remuneration distributed by the board of directors in the most recent year.

Note 4: It refers to the relevant business execution expenses of directors in the most recent year (including transportation expenses, special expenses, various allowances, dormitory, car distribution, etc.). When providing housing, automobiles and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent at fair market prices, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the most recent annual directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) received including salary, post bonus, severance pay, various bonuses, rewards, traveling expenses, special expenses, various allowances, dormitories, with vehicles and other physical offerings and so on. When providing housing, automobiles and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent at fair market prices, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS2 "Share-Based Payment", including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.

Note 6: Refers to the employee remuneration (including stock and cash) obtained by directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) in the most recent year. The amount of employee remuneration distributed by the board of directors in the most recent year should be disclosed. If it is impossible to estimate Otherwise, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount last year, and a separate schedule should be filled out.

Note 7: The total amount of remuneration paid to the directors by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays each director the total amount of remuneration, and the name of the director is disclosed in the grade to which he belongs.

Note 9: The total amount of remuneration paid to each director by all companies (including the Company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the attribution level.

Note 10: Net profit after tax refers to the net profit after tax of individual or individual financial reports in the most recent year.

Note 11: a. This column should clearly indicate the amount of remuneration received by the directors of the Company from the investment business outside the subsidiary or the parent company (if null, please fill in "None").

b. If the directors of the Company receive relevant remunerations from the investment business outside the subsidiary or the parent company, the directors of the Company receive relevant remunerations from the investment business outside the subsidiary or the parent company shall be included in column I of the remuneration scale table, and The name of the column is changed to "Parent Company and All Invested Enterprises".

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or managers of subsidiaries or parent companies.

\* The content of remuneration disclosed in this form is different from the concept of income in the income tax law, so this form is for information disclosure and not for taxation purposes.

## B. Remuneration Paid to President and Vice Presidents

Unit: NT\$ thousand; Dec. 31, 2023

Title	Name	Salary (A) (Note 2)		Pensions (B)		Bonuses and Special Allowances (C) (Note 3)		Employee Profit Sharing (D) (Note 4)				Summation of A, B, C, and D and as % of Net Income (Note 8)		Compensation from Affiliates Other than Subsidiaries (Note 9)
		PHD	All Consolidated Companies (Note 5)	PHD	All Consolidated Companies (Note 5)	PHD	All Consolidated Companies (Note 5)	PHD		All Consolidated Companies (Note 5)		PHD	All Consolidated Companies (Note 5)	
								Cash	Stock	Cash	Stock			
Chief Strategy Officer	Chih-Hsien Lo	11,969	12,252	-	-	882	882	16,830	-	16,830	-	29,681 5.01%	29,681 5.01%	140
President	Hung-Chun Lin													
Vice President	Wen-Zhen Chiu (resigned on 2023.09.05)													
Vice President	Tsun-Jen Cheng (resigned on 2023.11.15)													
Vice President	Hung-Yu Wu (acceded on 2023.11.10)													
Vice President	Xiao-Yu Chiang													

\* Regardless of the title, those whose positions are equivalent to the president and vice president should be disclosed.

### Range of Remuneration

Range of Remuneration	Name of President and Vice President	
	PHD (Note 6)	All Consolidated Companies (Note 7)
Under NT\$ 1,000,000	Hung-Yu Wu	Hung-Yu Wu
NT\$1,000,000 (included) ~ NT\$2,000,000 (excluded)	Wen-Zhen Chiu	Wen-Zhen Chiu
NT\$2,000,000 (included) ~ NT\$3,500,000 (excluded)	Tsun-Jen Cheng, Xiao-Yu Chiang	Tsun-Jen Cheng, Xiao-Yu Chiang
NT\$3,500,000 (included) ~ NT\$5,000,000 (excluded)	-	-
NT\$5,000,000 (included) ~ NT\$10,000,000 (excluded)	Hung-Chun Lin	Hung-Chun Lin
NT\$10,000,000 (included) ~ NT\$15,000,000 (excluded)	Chih-Hsien Lo	-
NT\$15,000,000 (included) ~ NT\$30,000,000 (excluded)	-	Hung-Chun Lin
NT\$30,000,000 (included) ~ NT\$50,000,000 (excluded)	-	-
NT\$50,000,000 (included) ~ NT\$100,000,000 (excluded)	-	-
Over NT\$100,000,000	-	-
Total	6 people	6 people

Note 1: The names of the president and vice president shall be listed separately, and the payment amount shall be disclosed in a summary manner. If the director concurrently serves as the president or vice president, this form and the above form (1) should be filled out.

Note 2: Fill in the salaries, job bonuses and severance pay of the president and vice president in the most recent year.

Note 3: Fill in the amount of various bonuses, rewards, traveling expenses, special expenses, various allowances, dormitory, car distribution and other remuneration amounts for the president and vice president in the most recent year. When providing housing, automobiles and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent at fair market prices, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS2 "Share-Based Payment", including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.



Note 4: Fill in the amount of employee remuneration (including stocks and cash) distributed by the Board of Directors to the president or vice president in the most recent year. If it is impossible to estimate, calculate the proposed distribution amount this year based on the actual distribution amount last year, and fill in the attached table 1-3.

Note 5: The total amount of remuneration paid to the president or vice president by all companies (including the Company) in the consolidated report should be disclosed.

Note 6: The Company pays each president or vice president the total amount of remuneration, and discloses the names of the president or vice president in the attribution level.

Note 7: The total amount of remuneration paid by all companies (including the Company) to each president or vice president of the Company should be disclosed in the consolidated report, and the names of the president or vice president r should be disclosed in the attribution level.

Note 8: Net profit after tax refers to the net profit after tax of individual or individual financial reports in the most recent year.

Note 9: a. This column should clearly indicate the amount of remuneration received by the president or vice president of the Company from the investment business outside the subsidiary or the parent company (if null, please fill in "None").

b. If the president or vice president of the Company receive relevant remunerations from the investment business outside the subsidiary or the parent company, the president or vice president of the Company receive relevant remunerations from the investment business outside the subsidiary or the parent company shall be included in column I of the remuneration scale table, and The name of the column is changed to "Parent Company and All Invested Enterprises".

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the president or vice president of the Company as directors, supervisors or managers of subsidiaries or parent companies.

\* The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Law, so this table is intended for information disclosure and not for taxation purposes.

### Employee Bonus Granted to Management Team

Unit: NT\$ thousand; Dec. 31, 2023

Title (Note 1)		Name (Note 1)	Stock Bonus	Cash Bonus	Total	Total Amount as % of Net Income
Chief Strategy Officer		Chih-Hsien Lo	-	21,552	21,552	3.64%
Management Team	President	Hung-Chun Lin				
	Vice President	Wen-Zhen Chiu (resigned on 2023.09.05)				
	Vice President	Hung-Yu Wu (acceded on 2023.11.10)				
	Vice President	Tsun-Jen Cheng (resigned on 2023.11.15)				
	Vice President	Xiao-Yu Chiang				
	Assistant Vice President	Jian-Ying Wu				
	Assistant Vice President	Chun-Liang Lin				
	Assistant Vice President	Chun-Cheng Kuo				
	Assistant Vice President	Shu-Ching Chang				
	Manager	Da-Chang Tai				

Note 1: Individual names and job titles shall be disclosed, but profit distribution may be disclosed in an aggregated manner.

Note 2: Fill in the employee remuneration amount (including stock and cash) approved by the Board of Directors for distribution to managers in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year. After-tax net income refers to the after-tax net income of the most recent year; if the International Financial Reporting Standards have been adopted, the after-tax net income refers to the after-tax net income of the individual or individual financial reports in the most recent

year.

Note 3: The scope of manager includes: (1) President and equivalent level, (2) Vice president or equivalent level, (3) Assistant vice president or equivalent level, (4) Head of financial department, (5) Head of accounting department, (6) Other persons who have the right to manage affairs and sign off for the Company.

Note 4: If directors, president and vice presidents receive employee remuneration (including stock and cash), this form should be filled out in addition to the attached form.

### **3.2.4 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Past Two Years and Remuneration Policy for Directors, Presidents and Vice Presidents**

Unit: NT\$ thousand

Title		2023			2022		
		Total Remuneration	Net Income	Total Remuneration as % of Net Income	Total Remuneration	Net Income	Total Remuneration as % of Net Income
Director	PHD	42,530	592,617	7.18%	84,371	1,475,037	5.72%
	All Consolidated Companies	53,027		8.95%	94,868		6.43%
President & Vice President	PHD	29,681		5.01%	56,917		3.86%
	All Consolidated Companies	29,964		5.06%	65,605		4.45%

Note: In accordance with corporate governance, the Company calculates employee remuneration and director remuneration based on the profit of the year and part of the realized/unrealized gains and losses on the securities. The amount of remuneration for directors and employees this year increased due to excluding the amount affected by the realized/unrealized losses of the securities. This amount complied with the Company policy.

The remuneration the Company pays to the directors, president and vice presidents is passed by Remuneration Committee with due diligence and faithfully perform the following duties, and submitted the suggestions to the board of directors for discussion:

1. Policies, standards and combinations of remuneration:

- (1) Director's remuneration is divided into director's remuneration, carriage fee, attendance fee and director's remuneration, which are handled in accordance with the Company's Articles and the Company's Director's Compensation and Welfare Table.
- (2) The remuneration of the president and vice president is divided into salary and bonus (employee remuneration and year-end bonus), which are based on the Company's staff salary and bonus payment standards and the Company's manager salary management regulations.

2. Procedures for setting remuneration:

It is handled in accordance with the Company's director's remuneration and welfare table, the employee's salary and bonus payment standards, and the manager's remuneration management regulations. Considering the Company's business performance, Board of Directors' performance evaluation, personal performance evaluation results and contribution to the Company, a reasonable remuneration is provided. The Remuneration Committee formulates and reviews the policies, standards and structures for performance evaluation and remuneration of directors and managers, and reviews the rationality of remuneration in a timely manner based on the actual operating conditions and relevant laws and regulations, and submits it to the Board of Directors for resolution.

3. Correlation with operating performance and future risk:

- (1) Director's remuneration: In accordance with the provisions of the Company's Articles, the Board of Directors is authorized to determine with the level of directors' participation in the Company's operations and the value of

their contributions, overall operating performance (such as annual revenue net profit rate, corporate governance evaluation results), Board evaluation results (including actual attendance, decision-making quality, continuing education, etc.) and with reference to industry standards. Besides, if there is profit in the current year, according to the Company's Articles, the current year's profit status shall not exceed 3% of the current year's directors' remuneration, and the actual allocation ratio will be reviewed by the Remuneration Committee. For independent directors, the fixed monthly remuneration is determined by the Board of Directors, and they do not participate in the distribution of remuneration when the Company makes a profit.

- (2) Director's business execution fee: Including travel expenses and attendance fees, according to the Company's Director Compensation and Welfare Table.
- (3) For the salaries of the president and vice president, it is determined by the individual performance and the value of their contribution to the Company's operations.
- (4) For the remuneration of the president and vice president, based on the Company's Articles, the Company shall distribute the remuneration to employees with a profit of not less than 2% for the year, and it shall be reviewed and approved by the Remuneration Committee.
- (5) Managers such as president, vice president and assistant vice president of the Company following the orders of the Board of Directors to handle the Company's business: Its appointment, dismissal and remuneration shall be in accordance with the provisions of the Company's Articles. The remuneration policy for managers shall be implemented in accordance with the Company's Manager Remuneration Management Regulations. Managers should fill in the annual performance plan and evaluation form as the basis for performance evaluation. The performance evaluation items include financial indicators (such as the achievement rate of pre-tax net profit, etc.) Significant absence of work risk matters, etc.). Corresponding to the contribution to the Company's operation, after being reviewed by the Remuneration Committee, it will be proposed to the Board of Directors for resolution.

For the directors and managers listed above, their "remuneration policies, standards and structures" and "remunerations" follow the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" to be submitted to the Remuneration Committee for deliberation. As for independent directors, based on the consideration of interest avoidance, it is not reviewed by the Remuneration Committee, but is determined by the Board of Directors in accordance with the Company's Articles and the usual level of payment in the industry.

When the remuneration committee of the company performs the functions and powers in the preceding paragraph, it shall act according to the following principles:

1. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the rationality of the relationship with personal performance, the Company operating performance and future risks.
2. Directors and managers should not be led to engage in behavior that exceeds the Company's risk appetite in pursuit of remuneration.
3. The proportion of bonuses for short-term performance of directors and senior managers and the timing of payment of part of the variable salaries should be determined in consideration of industry characteristics and the nature of the Company's business.

The salary and remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, dividends, retirement benefits or termination benefits, various allowances and other measures with substantial incentives. Its scope should be consistent with the remuneration of directors and managers in the standards for matters to be recorded in the annual reports of the Companies.

### 3.3 Implementation of Corporate Governance

#### 3.3.1 Operation in the Board of Directors

##### Information of Board of Directors Meeting

A total of 5 (A) meetings for the Board of Directors were held in 2023. The attendance of directors and was as following:

Title	Name (Note 1)	Attendance in Person (B)	Proxy Attendance	Attendance Rate (%) [B/A] (Note 2)	Representative	Note
Chairman	Uni-President Enterprises. Corp.	5	0	100%	Chih-Hsien Lo	2022.06.17 renewed
Director	Kao Chyuan Inv. Co., Ltd.	5	0	100%	Shiow-Ling Kao	2022.06.17 renewed
Director	Uni-President Enterprises. Corp.	5	0	100%	Tsung-Ping Wu	2022.06.17 renewed
Director	Chao-Mei Wu Tseng	2	3	40%		2022.06.17 renewed
Director	Taipo Inv. Co., Ltd.	4	1	80%	Ping-Chih Wu	2022.06.17 renewed
Director	Taipo Inv. Co., Ltd.	5	0	100%	Chien-Te Wu	2022.06.17 renewed
Director	Young Yun Inv. Co., Ltd.	5	0	100%	Chung-Ho Wu	2022.06.17 renewed
Director	Hung Yao Inv. Co., Ltd.	5	0	100%	Shih-Hung Chuang	2022.06.17 renewed
Director	Sheng-Yuan Inv. Co., Ltd.	3	2	60%	Po-Yi Hou	2022.06.17 renewed
Director	Yu Peng Inv. Co., Ltd.	5	0	100%	Po-Ming Hou	2022.06.17 renewed
Director	Hsin Yung Hsing Inv. Co., Ltd.	4	1	80%	Chih-Yuan Hou	2022.06.17 renewed
Director	Ruixing International Inv. Co., Ltd.	4	1	80%	Ying-Chih Chuang	2022.06.17 renewed
Independent Director	Peng-Ling Nie	5	0	100%		2022.06.17 renewed
Independent Director	Tse-Hsiang Ting	5	0	100%		2022.06.17 acceded
Independent Director	Meng-Hsiu Chen	5	0	100%		2022.06.17 acceded
Independent Director	Chen-Ming Chang	3	0	100%		2023.06.20 acceded
Independent Director	Jun-Shen Tseng	3	0	100%		2023.06.20 acceded

Note 1: If the director is a legal person, the name of the legal person shareholder and its representative shall be disclosed.

Note 2: (1) If director or supervisor resigned before the end of the year, the Company shall show resigned date in note, and attendance rate (%) is attendant times of meeting in incumbent period.

(2) If there is re-election of director and supervisor, the Company shall show former, new, reappointed member and the date in note. The actual attendance rate (%) is calculated based on the number of Board meetings and the number of actual attendance (list) during the term of office.



## Other Mentionable Items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, and contents of motion, all independent directors' opinions and the Company's response should be specified:  
Matters referred to Article 14-3 of the Securities and Exchange Act was passed by the Board meetings, please refer to "3.3.11 Major Resolutions of Shareholders Meeting and Board of Directors Meetings in the Recent Years and Up to the Date of the Annual Report Printed" of this Annual Report; other issues that have been objected or reserved by independent directors and have records or written statements: None.
2. If there are directors' evasion of motions in conflict of interest, the directors' names, contents of motion, causes for evasion and voting should be specified:  
On Mar. 6, 2023, the 5th Board meeting of session seventeen discussed the proposal IX: the leasing of 21F. of Uni-President International Tower, No. 9 and 11, Songgao Rd., Sinyi District, Taipei City from its related company, Uni-President International Development Co., Ltd. as Taipei office. Chih-Hsien Lo, Shioh-Ling Kao, Po-Ming Hou and Tsung-Ping Wu are interested parties in this case and should be avoided.
3. The objective of strengthening the functions of the Board of Directors in the current year and the most recent year (such as establishing an Audit Committee, improving information transparency, etc.) and evaluation of the implementation:  
The establishment of the Audit Committee in place of the supervisors' authority, and the Audit Committee have held 4 meetings during 2023.
4. The listed company shall disclose the evaluation cycle, period, evaluation scope, method and evaluation content of the self (or peer) evaluation of the Board of Directors, and fill in the implementation status of

**The Board of Directors Appraisal and Implementation Status**

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Once a year	From Jan. 1, 2023 to Dec. 31, 2023	1. Board of Directors' performance evaluation 2. Directors' self-evaluation 3. Internal self-evaluation of functional committee	1. Internal self-evaluation of the Board 2. Directors' self-evaluation 3. Internal self-evaluation of functional committee	1. Board of Directors' performance evaluation: Participation in the operation of the Company, improvement of the decision-making quality of the Board of Directors, composition and structure of the Board of Directors, selection and continuous education of directors, and internal control. 2. Directors' self-evaluation: Mastery of Company goals and tasks, awareness of directors' responsibilities, participation in Company operations, internal relationship management and communication, directors' professional and continuous education, and internal control. 3. Internal self-evaluation of functional committee: Participation in the Company's operations, awareness of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees and selection of members, and internal control, etc.

Note 1: Fill in the execution cycle of the Board evaluation, for example: once a year.

Note 2: Fill in the coverage period of the Board of Directors appraisal, for example: to evaluate the performance of the Board from January 1, 2023 to December 31, 2023.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual directors and functional committees (including the Audit Committee and the Remuneration Committee).

Note 4: Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by directors, peer evaluation, appointment of external professional institutions, experts, or other appropriate methods for performance evaluation.

Note 5: The assessment content shall include at least the following items according to the assessment scope:

- (1) Board of Directors' performance evaluation: Participation in the operation of the Company, improvement of the decision-making quality of the Board of Directors, composition and structure of the Board of Directors, selection and continuous education of directors, and internal control, etc.
- (2) Directors' self-evaluation: Mastery of Company goals and tasks, awareness of directors' responsibilities, participation in Company operations, internal relationship management and communication, directors' professional and continuous education, and internal control, etc.
- (3) Internal self-evaluation of functional committee: Participation in the Company's operations, awareness of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees and selection of members, and internal control, etc.

On Mar. 4, 2024, the 2023 annual performance evaluation results of Board of Directors, Board Members, Audit Committee and Remuneration Committee were reported to the Board of Directors, which showed that the overall operation of the Company's Board of Directors was at a good level and complied with the relevant provisions of the Code of Practice for Corporate Governance.

**3.3.12 Operation of the Audit Committee:****Information of Audit Committee Meeting**

A total of 4 (A) Audit Committee meetings were held in 2023. The attendance of the committee members was as following:

Title	Name	Attendance in Person(B)	Proxy Attendance	Attendance Rate (%) [B/A] (Note1, Note2)	Note
Independent Director	Tse Hsiang Ting	4	0	100%	Appointed on Jun. 17, 2022
Independent Director	Peng-Ling Nie	4	0	100%	Renewed
Independent Director	Meng-Hsiu Chen	4	0	100%	Appointed on Jun. 17, 2022
Independent Director	Chen-Ming Chang	2	0	100%	Appointed on Jun. 20, 2023
Independent Director	Jun-Shen Tseng	2	0	100%	Appointed on Jun. 20, 2023

## Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified: None.
2. If there are independent directors' evasion of motions in conflict of interest, the directors' names, contents of motion, the causes for avoidance and voting should be specified. If members of the

independent directors have an interest in the matters of the meeting and have a risk of harm to the interests of the Company, they shall be evaded. If the committee is unable to make a resolution, it shall report to the Board of Directors, and the Board of Directors shall make the resolution: None.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (including the material items, methods and results of audits of corporate finance or operations, etc.): None.

The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the Audit Committee meetings. If there is any urgent matters, the Company's chief internal auditor will inform the members of the Audit Committee immediately. There was no such special situation in the current year. The communication channel between the Audit Committee and the internal auditor has been functioning well.

The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as matters required by law, in the regular quarterly meetings of the Audit Committee. If there is any urgent matters, the Company's CPAs will inform the members of the Audit Committee immediately. There was no such special situation in the current year. The communication channel between the Audit Committee and the CPAs has been functioning well.

Note 1: If an independent director resigns before the end of the year, the date of resignation shall be indicated in the note column, and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and the actual number of attendance during their tenure.

Note 2: Before the end of the year, if there is a re-election of an independent director, the salary and the old independent director shall be filled in, and the old, new or re-appointed and re-election date of the independent director shall be indicated in the note column. The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee and the actual number of attendances during the term of office.

Note3: Due to the vacancy of two independent directors, the consolidated financial report for the first quarter of 2022 will be reviewed and approved by the convener of the Audit Committee.

A total of 4 Audit Committee meetings were held in 2023. Resolutions of each meeting as following:

#### **3<sup>rd</sup> of Audit Committee meeting of session three (Mar. 6, 2023):**

- (1) CPAs attended the necessary communication matters: the review results of this financial report, analysis of financial and operational performance, significant financial ratios and segment information, information on audit quality indicators, and other matters.
- (2) The resolution passed that the Company provided endorsements and guarantees of NT\$ 250 million to The Splendor Hospitality International Co., Ltd.
- (3) The resolution passed the Company's 2022 annual financial report.
- (4) The resolution passed the Company's CPA independence and competency assessment proposal.
- (5) The resolution passed the 2023 CPA appointment proposal, and the appointment of Kou-Hua Wang and Jun-Kai Wang from PwC as the agents of the Company's 2023 financial report reviewer and income tax declaration.
- (6) The resolution passed the CPA, PwC and its related companies pre-approved to provide non-certification services to the Company and its subsidiaries.
- (7) The resolution passed the Company's leasing of 21F. of Uni-President International Tower, No. 9 and 11, Songgao Rd., Sinyi District, Taipei City from its related company, Uni-President

International Development Co., Ltd. as Taipei office.

(8) The resolution passed the Company's 2022 internal control statement.

(9) The resolution passed the revision of Code of Practice for Corporate Governance.

#### **4<sup>th</sup> of Audit Committee meeting of session three (May. 8, 2023):**

- (1) CPAs attended the necessary communication matters: the review results of this financial report, analysis of financial and operational performance, changes in important financial information, and other matters.
- (2) The resolution passed the Company's first quarter of 2023 consolidated financial report.
- (3) The resolution passed the Company's 2022 earnings distribution and annual business report.

#### **5<sup>th</sup> of Audit Committee meeting of session three (Aug. 7, 2023):**

- (1) CPAs attended the necessary communication matters: the review results of this financial report, analysis of financial and operational performance, changes in important financial information, and other matters.
- (2) The resolution passed that the Company provided endorsements and guarantees of NT\$ 1.5 billion to The Splendor Hospitality International Co., Ltd.
- (3) The resolution passed the Company's second quarter of 2023 consolidated financial report.
- (4) The resolution passed the Company's amendments of Operating Procedures of Internal Control.

#### **6<sup>th</sup> of Audit Committee meeting of session three (Nov. 10, 2023):**

- (1) CPAs attended the necessary communication matters: the review results of this financial report, analysis of financial and operational performance, changes in important financial information, and other matters.
- (2) The resolution passed the Company's third quarter of 2023 consolidated financial report.
- (3) The resolution passed the Company's stock purchase plan of Nantex Industry Co., Ltd.
- (4) The resolution passed the Company's plan to conduct issuance of new share through cash capital increase to Prince Industrial Corp. of NT\$1.2 billion, with 120 million shares at par value of NT\$10 per share by installments.
- (5) The resolution passed that the Company provides a short-term financing loan of NT\$100 million to Prince Industrial Corp., which is wholly owned by the Company.
- (6) The resolution passed that the Company provides a short-term financing loan of NT\$200 million to Prince Chong-De Industrial Corp., which is the fully owned subsidiary of Prince Industrial Corp. The Company 100% wholly owns Prince Industrial Corp.
- (7) The resolution passed that the Company provides a short-term financing loan of NT\$100 million to Cheng-Shi Construction Co., Ltd., which is the fully owned subsidiary of Cheng-Shi Investment Holdings Co., Ltd. The Company 100% wholly owns Cheng-Shi Investment Holdings Co., Ltd.
- (8) The resolution passed the Company's 2024 auditing plan.

**The above-mentioned Audit Committee discussion results are submitted to the Company's Board of Directors for resolution.**



### 3.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Code of Practice for Corporate Governance based on the “Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies”?	✓		The establishment of the Code of Practice for Corporate Governance had been resolved by the Board meeting on November 3, 2016 and disclosed on the Company’s website.	None
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has designated appropriate departments to handle shareholders’ suggestions or disputes.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Stock Transfer Agency will collect the update information of the list of major shareholders and the ultimate owners of those shares.	
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) There are dedicated units responsible for operations of the affiliates companies, and they are controlled and audited by the head office.	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		(4) Article 15 of the Company's Ethical Corporate Management Operation Procedures and Guidelines stipulates that the Company's personnel shall not use undisclosed information to engage in internal transactions.	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) According to Article 20 of the Code of Practice for Corporate Governance, the Company had diversified and disclosed the members of Board of Directors.	None
(2) Does the Company voluntarily establish other functional committees in addition to Remuneration Committee and Audit Committee?		✓	(2) In addition to Remuneration Committee and Audit Committee established in accordance with the law, the Company will set up functional committees as needed.	
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors’ remuneration and renewal?		✓	(3) The 4th Board meeting of session sixteen passed the regulations of Self-Evaluation or Peer Evaluation of the Board of Directors. The Company should conduct periodic self-evaluation of the Board of Directors and each individual directors every year (from 2020). The performance evaluation results in 2023 have been passed by 10th Board meeting of session seventeen on Mar. 4, 2024 and reported to the Taiwan Stock Exchange.	

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company regularly evaluate its external auditors’ independence?	✓		(4) The Board of Directors had passed the proposal of “Financial Reports CPAs’ Independence Assessment”. The Accounting Division of the Company had accessed the independence of the CPAs Chien-Chih Wu and Jun Kai Wang from PwC in 2023, and the result was compliant with the Company’s independence evaluation criteria (Note 1). They are appointed to be competent CPAs on the 10th Board meeting of session seventeen (on Mar. 4, 2024). In addition to regularly assessing the independence of CPAs every year, the Company also conducts competency assessments based on audit quality indicators (AQIs) and submits the results to the Audit Committee and the Board of Directors for approval. The rotation of CPAs also complies with the relevant regulations. From 2023, the Company refers to the audit quality indicators (AQIs) to evaluate the competency assessment of accountants in the 13 indicators of the five dimensions of AQIs annually. The Company's CPAs provide the statement of the independence assessment to the Company annually (Note 2).	None
4. Does the Company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the Board of Directors and the Shareholders Meetings, filing Company registration and changes to Company registration, and producing minutes of Board meetings and Shareholders Meetings)?	✓		The 16th Board meeting of session fifteen resolved the appointment of Assistant Vice President of Administrative Dep., Chun-Cheng Kuo, as the Corporate Governance Officer and responsible for corporate governance related matters. Chun-Cheng Kuo has been in charge of stock affairs and corporate governance related affairs of public offering companies for more than 3 years.  The Company’s corporate governance executives have trainings for 12 hours (3 hours for Information Security Governance in Practice: An Analysis of Key Management Issues, 3 hours for Changing the World through Investment - Impact Investing and SDGs in Practice Forum, 3 hours for 2023 Insider Trading Prevention Promotion Conference, and 3 hours for The New Face of Corporate Governance in an ESG Climate).  The scope of the corporate governance authority includes at least: Handling the Board of Directors and the shareholders’ meeting in The 16th Board meeting of session fifteen resolved the appointment of Assistant Vice President of Administrative Dep., Chun-Cheng Kuo, as the Corporate Governance Officer and responsible for corporate governance related matters. Chun-Cheng Kuo has been in charge of stock affairs and corporate governance related affairs of public offering companies for more than 3 years.  The scope of the corporate governance authority includes at least: Handling the Board of Directors and the shareholders’ meeting in accordance with the law, preparing the minutes of the Board of Directors and shareholders’ meetings, assisting directors in their appointments and continuing education,	None

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>providing directors with information required for business execution, assisting directors in complying with laws and regulations and other compliance or the items stipulated in the contract, etc.</p> <p>The executive summary of the Company’s business executives for the year of 2024: Handling matters related to the Board of Directors and the shareholders’ meeting in accordance with the law, prepare the minutes of the Board of Directors and shareholders’ meetings, assist the directors in continuing training, provide the directors with the necessary information for business execution and other compliance with the Company’s Articles of Incorporation or contracts, etc.</p> <p>The Company’s corporate governance executives have trainings for 12 hours (3 hours for Information Security Governance in Practice: An Analysis of Key Management Issues, 3 hours for Changing the World through Investment - Impact Investing and SDGs in Practice Forum, 3 hours for 2023 Insider Trading Prevention Promotion Conference, and 3 hours for The New Face of Corporate Governance in an ESG Climate).</p>	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company had been dedicated to establish appropriate communication channels for its stakeholders, including customer service hotline, Company website, PHD APP, advertisements and publication, and occasional questionnaires. In addition, the Company has provided mailbox, online message system, and 24 hour service counter for the NCKU Prince House. The Company’s website had disclosed the contact information for different stakeholders in the Stakeholder Area.	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company had designated President Securities Corp. to deal with shareholder affairs.	None
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both financial status and corporate governance?	✓		(1) The Company had set up a website to disclose the Company’s relevant information. Website: <a href="http://www.prince.com.tw">http://www.prince.com.tw</a>	None
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle, collect and disclose information, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has a designated person to be responsible for the collection and disclosure of Company information, and implement the spokesperson system according to laws and regulations. The institutional investor conference video and material information in both Chinese and English version has been uploaded on the Company’s website.	

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	(3) The Company had assigned specialists to announce and register the first, second, third quarter financial reports and operating statements every month. However, the annual financial reports had not been announced and registered within two months after the close of each fiscal year yet.	
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?		✓	<p>(1) In addition to various insurance and pension contribution for employees, the Company has built appropriate communication channels for both employees and employers.</p> <p>(2) Directors’ and supervisors’ continuing training.</p> <p>(3) To protect customers and clients, the Company has established service center to deal with after-sales service, such as building maintenance, repair, community safety and cleaning service.</p> <p>(4) To reduce and diversify the risk of major damages to the Company and shareholders caused by directors’ errors or negligence, purchase D&amp;O insurance for the Board of Directors and relevant members during their tenure.</p>	None
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (Companies not included in the evaluation do not need to fill in)</p> <p>According to the results of the Corporate Governance Evaluation System about the Company, the improvements or the expectation of future improvements in the previous year are as follow: More than one-half directors (including one or more independent director) and the convener of Audit Committee are expected to attend the Shareholders’ Meeting.</p>				



## Note 1: External Auditor Independence Evaluation Standards

## (1) External Auditor Independence Evaluation Standards

Complies with Independence	Yes	No	Note
1.Does the CPA not serve as the Company's or related companies' director?	✓		
2.Does the CPA not be a stockholder of the Company or related companies?	✓		
3.Does the CPA not be hired the Company or related companies?	✓		
4.Does the CPA comply with Independence policies of the CPA Firms?	✓		
5.Does the former CPA partner not join the Company as a director, supervisor, or officer or in a key position to exert significant influence over the subject matter of the engagement within one year of disassociating from the firm?	✓		
6.The CPA has not provided audit services to the Company for more than seven years.	✓		
7.Does the CPA comply with Norm No. 10 of Professional Ethics for Certified Public Accountant?	✓		

## (2) Criteria for Evaluating the Independence Assessment of Auditors

Evaluation Items	Evaluation Result	Qualification for Independence
1.Confirmation of the CPA's shareholding in the Company through the share unit.	No	Yes
2.Confirmation as to whether the CPA has a concurrent position with the Company or a related companies.	No	Yes
3.Whether or not to obtain a CPA's independence statement.	Yes	Yes

## (3) The Audit Quality Indicators (AQIs)

Professionalism	Quality Control	Independence	Supervision	Innovation
1.Audit experience	1.CPA workload	1.Percentage of non-audit services	1.External Inspection Deficiencies and Sanctions	Innovative Planning or Initiatives
2.Training hours	2.Verification of inputs	2.Customer Familiarity	2.Number of letters from competent authorities	
3.Turnover	3.Engagement Quality Control Review (EQCR) Review Circumstances			
4.Specialized Support	4.Quality Support Capability			

## (4) Criteria for Evaluating the Competency Assessment of Auditors

Evaluation Items	Evaluation Result
1.Audit experience	Qualified
2.Training hours	Qualified
3.Turnover	Qualified
4.Specialized Support	Qualified
5.CPA workload	Qualified
6.Audit inputs	Qualified
7.EQCR Review Circumstances	Qualified
8.Quality Support Capability	Qualified
9.Non-audit service fees	Qualified
10.Customer Familiarity	Qualified
11.External Inspection Deficiencies and Sanctions	Qualified
12.Improvement Letter from Competent Authority	Qualified
13.Innovative Planning or Initiatives	Qualified

## Note 2:

To Prince Housing & Development Corp.  
Date: February 23, 2024  
Official Letter Number: No. 23008758  
Subject: Per request from Prince Housing & Development Corp. and Subsidiaries (hereafter referred to as

“Your Group”), we have assessed our independence in regards to Your Company pursuant to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 “Independence of audit and review.” Below are the assessment results and the declaration that we have issued.

## Explanation:

- Pursuant to Article 4 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 (hereafter referred to as “Norm No. 10”), “Accounting firms should maintain independence in checking audit cases”, and to Article 15, “In accordance with the provisions of this Statement, the Firm shall maintain its independence from the audited clients of other accounting firms within the Firm.” In addition, Article 6 of the “Norm No. 10” also explains that “Threats to independence that affect the firm's ability to perform an audit may include one or more of the following: self-interest, self-judgment, defensiveness, familiarity, coercion, etc.” Therefore, in view of the factors that may affect independence as described in Article 6, our firm will state the factors one by one to Your Group and explain that the independence of our firm has not been affected by the aforementioned factors.
- Independence has not been affected by self-interest: The firm declares that the project audit team members and firm affiliates have not had (1) direct or material indirect financial interest relations; (2) over-reliance on Your Group as a source of remuneration; (3) material and close business relations; (4) potential employment relations; the Firm not considering the possibility of waste, not incurring any contingent fees in connection with the review of the case, and not finding any material errors in the reports of professional services previously rendered by other members of the Firm.
- Independence has not been affected by self-review: (1) The firm has not issued a report on the assurance services it has designed or assisted in the implementation of the effective operation of the financial information system. (2) No original documents produced by the firm were used to confirm the significance or importance of the service case. (3) The members of the project audit team do not currently serve, and have not served as directors or supervisors or positions of material influence over audit projects at Your Group for the past two years. (4) The firm does not provide material non-audit service projects that may directly affect audit projects.
- Independence has not been affected by advocacy: The firm declares that members of the project audit team have not been appointed as the advocates for Your Group's stance or opinion, or except as permitted by law, represents Your Company in litigation or other disputes with third parties. In addition, the firm does not solicit or broker shares or other securities issued by Your Company.
- Independence has not been affected by familiarity: The firm declares that members of the project audit team do not (1) have familial kinship with supervisors, directors, managers, or any person with material influence over auditing projects at Your Group; (2) be a director or manager of Your Company or has significant influence over the accounting records or the preparation of the financial statements on which an opinion is to be expressed; (3) have members of the project audit team accept gifts or preferential treatment from Your Group, or directors, supervisors, managers of Your Group.
- Independence has not been affected by threat: The firm declares that members of the project audit team have not been subjected from Your Company to (1) be under threat of legal action; (2) the threat of revocation of non-checking case appointments to force the firm into accepting the selection of an inappropriate accounting policy for a particular transaction; (3) the threat of termination of the Case Review or renewal of their appointment; (4) reducing any checking work that shall be carried out to reduce CPA fees; (5) pressuring inspectors to accept professional judgment on a matter in dispute. In addition, the firm has not required any member of the project audit team to accept any inappropriate accounting policy choices or financial statement disclosures by Your Company, or else he/she would not be promoted.

For the firm's declarations above, besides implementing relevant work procedures pertaining to client's independence verification at the firm, due professional caution has also been implemented. We hereby report these results for your reference.

## Attachment:

- List of members from the audit service team as regulated by Norm No. 10.
- List of partners who have disassociated from the firm within one year.
- List of related businesses to PwC Taiwan.
- Non-audit services provided by PwC Taiwan and related businesses to Prince Housing & Development Corp

PwC Taiwan  
Chien-Chih Wu

CPA  
Jun Kai Wang

**Directors' and Supervisors' Continuing Education**

Title	Name	Assumed Date	Period		Sponsoring Organization	Course	Training Hours	Conforming to Regulations
			From	To				
Rep. of Institutional Director	Chih-Hsien Lo	Jun. 17, 2022	Oct. 26, 2023	Oct. 26, 2023	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Company	3	Yes
			Apr. 27, 2023	Apr. 27, 2023	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	Yes
Rep. of Institutional Director	Shiow-Ling Kao	Jun. 17, 2022	Oct. 26, 2023	Oct. 26, 2023	Taiwan Institute of Directors	Digital Innovation and Sustainable Transformation for the Intelligent Company	3	Yes
			Apr. 27, 2023	Apr. 27, 2023	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	Yes
Rep. of Institutional Director	Tsung-Ping Wu	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Director	Chao-Mei Wu Tseng	Jun. 17, 2022	Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May 9, 2023	May 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
Rep. of Institutional Director	Ping-Chih Wu	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			Apr. 27, 2023	Apr. 27, 2023	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	Yes
Rep. of Institutional Director	Chien-Te Wu	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Rep. of Institutional Director	Chung-Ho Wu	Jun. 17, 2022	Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes

Title	Name	Assumed Date	Period		Sponsoring Organization	Course	Training Hours	Conforming to Regulations
			From	To				
			May. 9, 2023	May. 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
			May 8, 2023	May 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
			Apr. 27, 2023	Apr. 27, 2023	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	Yes
Rep. of Institutional Director	Shih-Hung Chuang	Jun. 17, 2022	May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Rep. of Institutional Director	Po-Yi Hou	Jun. 17, 2022	Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
Rep. of Institutional Director	Po-Ming Hou	Jun. 17, 2022	Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 9, 2023	May. 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
			May 8, 2023	May 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
			Apr. 27, 2023	Apr. 27, 2023	Taiwan Institute of Directors	Taiwan's Economic Outlook under International Changes	3	Yes
Rep. of Institutional Director	Chien-Te Wu	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Rep. of Institutional Director	Chih-Yuan Hou	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 9, 2023	May. 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes



Title	Name	Assumed Date	Period		Sponsoring Organization	Course	Training Hours	Conforming to Regulations
			From	To				
Rep. of Institutional Director	Ying-Chih Chuang	Jun. 17, 2022	Dec. 15, 2023	Dec. 15, 2023	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Challenges and Opportunities under the Global Net Zero Transformation	3	Yes
			Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			Jul. 11, 2023	Jul. 11, 2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture-Today's and Tomorrow's AI-ization of Industry-ChatGPT Impact and Enterprise Response	3	Yes
			May. 9, 2023	May. 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Independent Director	Peng-Ling Nie	Jun. 17, 2022	Aug. 8, 2023	Aug. 8, 2023	Taiwan Institute of Directors	Observing Taiwan's General Economic Environment: U.S. Inflation, Interest Rate Rise and Economic Rhythms	3	Yes
			Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 9, 2023	May. 9, 2023	Taiwan Institute of Directors	Anatomy of Competition for Operating Rights - Legal Regulation of Malicious Mergers and Acquisitions and Practical Examples of Equity Attacks and Defenses	3	Yes
			May 8, 2023	May 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Independent Director	Tse-Hsiang Ting	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Independent Director	Meng-Hsiu Chen	Jun. 17, 2022	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Face of Corporate Governance in the ESG Climate	3	Yes
			May. 8, 2023	May. 8, 2023	Taiwan Corporate Governance Association	Changing the World through Investment - Impact Investing and the SDGs in Action	3	Yes
Independent Director	Jun-Shen Tseng	Jun. 20, 2023	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes
Independent Director	Chen-Ming Chang	Jun. 20, 2023	Aug. 7, 2023	Aug. 7, 2023	Taiwan Corporate Governance Association	The New Aspect of Corporate Governance in the ESG	3	Yes

### 3.3.4 Composition, Responsibility and Operations of Remuneration Committee

#### A. Information of Remuneration Committee

Criteria		Professional Qualification and Experience (Note 2)	Independence Criteria (Note 3)	Number of Remuneration Committee Memberships Held in Other Public Companies
Title & Name (Note 1)				
Independent Director (Convener)	Peng-Ling Nie	Refer to "Director Information"	Refer to "Director Information"	1
Independent Director	Tse-Hsiang Ting	Refer to "Director Information"	Refer to "Director Information"	0
Independent Director	Meng-Hsiu Chen	Refer to "Director Information"	Refer to "Director Information"	0
Independent Director	Chen-Ming Chang	Refer to "Director Information"	Refer to "Director Information"	0
Independent Director	Jun-Shen Tseng	Refer to "Director Information"	Refer to "Director Information"	0

Note 1: Please specify in the form the relevant working experience, professional qualifications and experience, and independence of each Remuneration Committee member. Please fill in the identity as independent director or other (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: State the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Independence status: Describe the independence status of the members of the Remuneration Committee, including but not limited to whether the person, spouse, and relatives within the second degree are directors, supervisors, or employees of the Company or its affiliated companies; The number and proportion of Company shares held by relatives within the second degree (or in the name of others); whether they serve as a company with a specific relationship with the company (refer to Article 6 of the regulations on the establishment and exercise of powers of the Company's Remuneration committee listed on the stock market or traded at the business place of the securities firm) Directors, supervisors, or employees specified in Subparagraphs 5~8 of Paragraph 1); the amount of remuneration received for providing business, legal, financial, and accounting services to the Company or its affiliated companies in the last two years.

Note 4: For the method of disclosure, please refer to the best practice reference examples on the website of the Taiwan Stock Exchange Corp.

#### B. Operations of the Remuneration Committee

The Remuneration Committee regularly reviews the policies, systems, standards and structure of directors, supervisors and managers' performance evaluation and remuneration.

1. Remuneration Committee was passed by the Board of Directors on Aug. 24, 2011 and was set up on Sep. 30, 2011.
2. The 2<sup>nd</sup> Board of Directors of session seventeen on June 27, 2022 resolved to appoint 3 members for the Remuneration Committee of session five. The term is from June 27, 2022 to June 16, 2025. In addition, it resolved to appoint independent directors of Peng-Ling Nie, Tse-Hsiang Ting, and Meng-Hsiu Chen as the member of Remuneration Committee. The decision of Peng-Ling Nie as the convener was passed by all the members of Remuneration Committee.
3. The 8<sup>th</sup> Board of Directors of session seventeen on August 7, 2023 resolved to appoint independent directors of Chen-Ming Chang and Jun-Shen Tseng as the members of Remuneration Committee of session five.
4. Committee meetings of session five were held 2 times (A) during 2023. The attendance was as following:

Title	Name	Attendance in Person(B)	Proxy Attendance	Attendance Rate (%) [B/A]	Note
Convener	Peng-Ling Nie	2	0	100%	Term renewal.
Member	Tse Hsiang Ting	2	0	100%	Term renewal.
Member	Meng-Hsiu Chen	2	0	100%	Appointed on Jun. 27, 2022.
Member	Chen-Ming Chang	1	0	100%	Appointed on Aug. 7, 2023.
Member	Jun-Shen Tseng	1	0	100%	Appointed on Aug. 7, 2023.
<p>Other matters:</p> <p>(1) If the Board of Directors does not adopt or amend the suggestion of the Remuneration Committee, it shall state the date, period, content of the proposal, the result of the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (such as the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration committee, the difference and reasons shall be stated): None.</p> <p>(2) For the resolutions of the Remuneration Committee, if members have objections or reservations with records or written statements, the date, period, content of the proposal, all members' opinions and the handling of members' opinions shall be stated: None.</p>					

Note 1:

- (1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be indicated in the note column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the number of actual attendance during the period of employment.
- (2) Before the end of the year, if there is re-election of the Remuneration Committee, both the new and former members of the Remuneration Committee should be filled in, and the member's former, new or renewal and re-election date should be indicated in the note column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during the working period and the number of actual attendance.

Note 2: A total of 2 Remuneration Committee meetings were held in 2023. Resolutions of each meeting as following:

**2<sup>nd</sup> Remuneration Committee of session five (Mar. 6, 2023):**

- (1) 2022 remuneration distribution plan for directors was passed.
- (2) 2022 Managers' Appraisal Review plan was passed.
- (3) 2023 Managers' Salary Adjustment Plan was passed.

**3<sup>rd</sup> Remuneration Committee of session five (Nov. 10, 2023):**

- (1) 2023 Managers' bonus distribution plan was passed.
- (2) 2024 work plan for Remuneration Committee was passed.

**The results of the above-mentioned discussions from Remuneration Committee were submitted to the Company's Board of Directors for resolution.**

### 3.3.5 Implementation of Sustainable Development and “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” Differences and Reasons

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate sustainable development and the Board of Directors authorized senior manager to supervision?	√		The Company has designated Corporate Planning Group as a dedicated unit for the promotion of the sustainable development, policies-making. In the follow-up, each department actively promotes the evaluation and planning of ESG practices according to its responsibilities, and the Corporate Planning Group coordinates for integration. Based on the "Risk Management Policy for Prince Housing & Development Corp.", consolidated reports will be submitted to the Board of Directors at least once a year. The major sustainable issues of the year and the implementation results should be explained, and the future targets should be planned. The Board of Directors evaluates the Company's sustainable operation through assessing the management policies and strategies and the possibility of implementation, and we adjust the plan in a timely manner.	None
2. Does the Company follow materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to Company operations and establish the relevant risk management policy or strategy?	√		<p>The resolution was passed by the Board of Directors that the "Risk Management Policy for Prince Housing &amp; Development Corp." was formulated, which includes the risk assessment standards, process, results and management policies of ESG-related major issues, and serves as the highest guiding principle for the Company's risk management.</p> <p>The risk assessment is based on the boundaries of the Company, and is regularly assessed every year to identify relevant risks that may affect the sustainable development of the enterprise. According to the principle of materiality, we carry out risk assessment on the environmental, social or corporate governance related the Company's operation, and then make management policies for the identified risks.</p> <p>To analyze the risk impact of identified risks, establish management procedures and operational instructions as follows:</p> <p>Significant Issues/ Risk Category/ Management Procedures and Operations</p> <p>Environment</p> <ul style="list-style-type: none"> <li>• Environment and Climate Change1.</li> </ul> <ol style="list-style-type: none"> <li>1. Following the principles of the Task Force on Climate-Related Financial Disclosures (TCFD), establish a management framework for corporate climate risks and opportunities, identify climate risks and opportunities, and plan and implement response strategies.</li> <li>2. Conduct a greenhouse gas inventory in accordance with ISO 14064-1 standard to inventory and measure the Company's greenhouse gas emission equivalent to meet the trend of carbon management.</li> </ol> <ul style="list-style-type: none"> <li>• Land development</li> </ul> <p>Through four surveys and evaluations of property rights, bases, markets, and regulations, on-site surveys, and confirmation through public sector inquiry platforms, land suitable for construction development was purchased.</p>	None



Evaluation Item				Deviations from "the Code of Practice for Corporate Governance for TWSE/TPEx Listed Companies" and Reasons
	No		Abstract Illustration	
			<p>Society</p> <ul style="list-style-type: none"> <li>● Planning and Design Comparing with the existing project experience in the same area, referring to the records of land construction project development and review in the same area over the years, cooperate with technicians and architects to analyze and formulate a treatment plan.</li> <li>● Engineering Quality and Safety               <ol style="list-style-type: none"> <li>1. During the construction phase, carry out independent inspections of various projects, implement quality requirements such as structural safety and decoration, and keep complete records of various quality inspections and test results.</li> <li>2. The personnel who enter the site sign the hazard notice every day, implement the safety inspections and management of the work area, contract the contract and require the manufacturer to abide by the laws and regulations, regularly implement safety and health education and training for employees, and convene regular meetings of the site health and safety organization.</li> <li>3. Implement health control measures for temporary site personnel in accordance with government regulations and epidemic control requirements, and conduct regular site decontamination to maintain a clean and orderly work environment in the work area.</li> <li>4. Plan the construction period in advance, prepare materials in advance at an appropriate time, arrange manpower requirements in advance, and develop alternative construction methods to reduce labor.</li> <li>5. Plan, analyze, and respond to the risk of damage and loss caused by climate change, such as strong winds, rain, and sunshine, to ensure the safety of construction sites, personnel, and buildings.</li> </ol> </li> <li>● Sales Service               <ol style="list-style-type: none"> <li>1. Send staff to inspect the house together with the customer, and repair the defect within two weeks by the construction company, and track the improvement situation of the business.</li> <li>2. Require the consignment company and its salesperson to sign the "Personal Data Protection Commitment Letter".</li> <li>3. The sales contract stipulates that there are capital clauses and after the customer signs and agrees, they will be strictly archived and kept.</li> </ol> </li> </ul> <p>Governance</p> <ul style="list-style-type: none"> <li>● Information Management               <ol style="list-style-type: none"> <li>1. The user's computer uses various anti-virus software and automatically updates virus codes. The user's computer is restricted to minimize the chance of hackers and viruses entering the computer.</li> <li>2. Set up a firewall to isolate the random distribution of hackers and malicious programs, and also continue to review the security of our internal network architecture to improve our ability to block viruses and spam.</li> </ol> </li> </ul>	

Evaluation Item	Implementation Status			Deviations from "the Code of Practice for Corporate Governance for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			<ol style="list-style-type: none"> <li>3. Store critical files on servers with strict control over permissions, and regularly perform recovery drill operations on key servers to confirm the recovery steps and backup integrity.</li> <li>4. Information and communication security publicity is listed as an annual compulsory course to educate colleagues to prevent company computers from being infected by viruses.</li> <li>5. Establish the internal control methodology "For the establishment, authority and responsibility of the Information Security Unit."</li> </ol> <ul style="list-style-type: none"> <li>● Financial Management               <ol style="list-style-type: none"> <li>1. Execute in accordance with the capital policy approved by the board of directors, and regularly review the financing amount, including the contract period, financing conditions and market conditions.</li> <li>2. Based on the principles of health and well-being, distinguish between short-, medium-, and long-term use according to the purpose of funds, maintain the liquidity of the company's funds and credit, and respond to various capital needs.</li> <li>3. Continue to maintain each quota to ensure sufficient funds in the reservoir.</li> <li>4. Make full use of the opportunity of tight bank funds, allocate the company's funds more properly, and create higher benefits.</li> </ol> </li> </ul>	
3. Environmental Issues				
(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) The Company emphasizes on environmental protection, treasures resources, and purchases the materials which are tagged green building materials, water-saving, or energy conservation. Before constructions, the Company requires the contractors to submit site management plans to ensure that the air, noise, water and waste pollution situations can be effectively controlled.	None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(2) In the material of construction, the Company prioritizes the use of green building materials, such as paint, wood flooring, calcium silicate boards, etc., to greatly reduce the safety concerns and impacts of building materials on human health, and reduce the potential impact of building materials on the environment. When purchasing products used in construction projects, we also give priority to the products with water-saving labels, environmental protection labels, and energy-saving labels, and in 2023, the original air conditioners of NTU BOT and NCKU Prince House will be replaced with first-class energy-saving inverter air conditioners, and a total of 544 units will be replaced. NTU BOT expects to replace 3,167 units in the entire region, and 530 units will be replaced by NCKU BOT in 2024, so that future occupants can continue to have energy-saving, carbon-reducing, and water-concentration benefits in the house and reduce impact on the environment.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company attaches great importance to labor safety, and has established "Labor Safety Education and Training Program", "Full-time Automatic Inspection Plan", "Labor Safety Control Measures", "Construction Disaster Prevention and Rescue Measures Plan" and "Emergency First Aid Plan"	

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company provide its employees with career development and training sessions?	✓		system and emergency notification system”. Within the scope of each construction site contract, a labor agreement organization is established in accordance with the Occupational Safety and Health Law, an occupational safety and health code is formulated, professional training courses are provided for each labor function, and various occupational safety education and training courses are offered. The daily pre-construction public works meeting at each construction site carries out safety education for the construction workers on that day, and conducts environmental safety audits on a quarterly basis. We also include contractors as safety partners, and inform contractors of risk awareness through labor safety rules. There was no occupational injury case in 2023.	
(5) Does the Company’s product and service comply with related regulations and international rules for customers’ health and safety, privacy, sales, labelling and set policies to protect consumers’ rights and consumer appeal procedures?	✓		(4) The Company has provides appropriate internal training courses, and encourages all employees to have continuing education. There were 3,454 internal training hours and 379 external training hours in 2023, totaling 3,833 hours. The average training time per person is about 15.77 hours, and the total cost is about NT\$48,849.	
(6) Does the Company set supplier management policies and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		(5) Consumers can respond to comments and complaints through the Company's website, mailbox or the Company phone. In response to issues such as customer privacy, the Company actively provides internal education and training to employees to be active and sensitive to events.	
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Whether the report has obtained the assurance or opinion from the third party?	✓		(6) The Purchasing & Cost Control Team of the Company is responsible for appropriate evaluation of the suppliers on business partnerships. The contracts between the Company and the major suppliers are all confirmed by the legal counsel. The Company evaluates the impact on the environment caused by the purchase activities.	
6. If the Company has established the corporate social responsibility principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Board of Directors passed the resolution to establish the Corporate Social Responsibility Best-Practice Principles of the Company, designated Corporate Planning Group as the dedicated unit, and authorized specialized institution to prepare Corporate Social Responsibility Report. The concept of ESG is promoted to various departments, and each department actively evaluate and plan the best practice of ESG according to their powers and responsibilities. After the communication, coordination and integration of various issues from various departments, a report is submitted to the Board of Directors every year. By combining with the operating policy, the Company can take a more comprehensive integration of existing performance and future policy plan. Overall, there is no deviation from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.			The Company has designated the Corporate Planning Group as the dedicated unit and authorized specialized institution to prepare the 2023 Corporate Social Responsibility Report. There is also an assurance from PwC for the report.	None

Evaluation Item	Implementation Status			Deviations from “the Code of Practice for Corporate Governance for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices: The Company promises to uphold the concept of saving energy and natural resources, recognizes that environmental protection is one of the most important issues for human, designs and manufactures products that are most environmentally efficient, and encourages employees to participate in efforts for the earth, promote "environmental protection", "low-carbon diet" and "environmental health" to take care of the earth together. We believe that the care of the disadvantaged groups is not only the material needs but also the real help of social welfare. Zenda Suites has cooperated with the Eden Foundation, providing opportunities for disabled young people to actually perform hotel housekeeping work. We invited all alumni and accommodation guests to help the employment dreams of disabled youths. A total of NT\$52,239 has been donated to the charitable activities. (1) In response to World Earth Day, NCKU BOT turned off the floor balcony lights and street lights for one hour on March 26. The total of 286 floor balcony lights and street lights can save 9,525 kWh of electricity and reduce 4,848 kg of carbon dioxide equivalent. (2) NTU Prince House continued the tradition over the years, and donated 76 second-hand mattresses to social welfare institutions and nursing homes in need during the winter and summer vacations. In addition to making second-hand goods function again, we also participate in public welfare with students through sharing and cherishing the joy of materials, and practice corporate social responsibility for mutual benefit. (3) In 2023, a blood donation event was held in front of the Academy Hotel to appeal to the public to show their love and help those in need, with a total of 91 people participating in the blood donation event. In 2023, in line with the goal of caring for the earth and responding to the global energy conservation and carbon reduction campaigns, the Academy Hotel began to implement the Eco-room program and introduced low-cost Eco-rooms to reward residents. Eco-rooms provide all consumable spare parts and reduce garbage production to achieve the goal of caring for the earth and saving energy. A total of 1,202 guests stayed in the eco-friendly rooms to achieve the goal of protecting the earth and saving energy.				

### 3.3.6 Implementation of Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Promoting Project	Implementation Status
1. Implementation of climate-related information (1) Describes the Board's and management's oversight and management of climate-related risks and opportunities.  (2) Describe how the identified climate risks and opportunities affect the organization's business, strategy, and finances (short, medium, and long term).	(1) Climate change has become one of the most serious risks facing the international community. In light of this, the Company has followed the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) to enhance disclosure of the financial impacts of climate change and to help stakeholders understand the significance and strategic direction of our response, effective 2022. The International Climate Related Financial Disclosures (TCFD) issue is promoted by the Corporate Planning Division, which is responsible for promoting sustainability and climate change issues to each department, and then promoting the assessment of sustainability practices, identification of climate risks and opportunities, and action, planning, and fulfillment of risk issues in accordance with the authority and responsibility of each department. The annual results of sustainability actions are coordinated and integrated by the Corporate Planning Division and each department, and then reported regularly to the President and at least once a year to the Board of Directors. Sustainability and climate change issues are overseen and managed by the Board of Directors, the highest level of governance, through continuous review of sustainability actions to feed back into operational objectives, so that we can take stock of our performance and plan future directions in a more comprehensive and focused manner.  (2) Based on the list of transformation risks, physical risks, and opportunities proposed by TCFD, understand the definition of each risk and opportunity, identify the key short-, medium-, and long-term impact periods by department, and perform strategic and financial impact assessments of the risk and opportunity elements, as well as consider the impact of risk adaptation and mitigation activities, research and development investments, business types, and business locations on the company's business and strategies. Risk and Opportunity Type / Climate-related issue / Impact Timeline / Description of Operations and Potential Financial Impact / Response Strategy  ● Risk: - Policies and Regulations Authorization and monitoring of existing products and services: short-term



Promoting Project	Implementation Status
	<p>i. In response to the government's promotion of carbon reduction, the new zoning area will gradually require energy efficient buildings, smart buildings or green buildings, which may increase the cost of design and engineering work if the project is located in this area.</p> <p>ii. Tighter regulations on roof insulation and drainage may increase the need for design and engineering services, resulting in higher operating costs.</p> <p>iii. The need to invest in energy efficient or smart building design has resulted in higher operating costs.</p> <p>◎ Gather the latest codes, work with architects to design code-compliant buildings, and perform cost-benefit evaluations.</p> <p>- Market</p> <p>Rising raw material costs: short-term</p> <p>Extreme weather has caused supply chain disruptions and labor and material shortages, resulting in increased raw material costs and a 30% to 40% increase in construction costs.</p> <p>◎ Improve market research and collect appropriate costs in line with market prices.</p> <p>● Opportunity:</p> <p>- Policies and Regulations</p> <p>Responding to the Low Carbon Energy Strategy: short-term</p> <p>In response to the government's energy and low-carbon transformation policies, such as Taiwan's Building-Integrated Photovoltaic Power Generation Equipment Regulations, the Company is actively pursuing tax incentives to reduce operating costs.</p> <p>◎ Cost, efficiency, maintenance and longevity factors are taken into account in the early stages of the design of new projects, with energy conservation and environmental friendliness as key considerations.</p> <p>◎ For the BOT Prince House and Suites, in addition to already being green buildings, funds will be invested in low carbon energy strategies</p> <p>- Market</p> <p>Government reward mechanism: short-term</p> <p>In response to the government's green building incentives, the company is actively seeking green building capacity incentives, water consumption fee waivers, preferential tax rates, tariff exemptions, etc. to reduce operating costs.</p> <p>◎ In line with relevant laws and regulations, sustainable, low-carbon and energy-saving equipment will be installed in the rezoning and economic and trade zone projects.</p> <p>◎ Now the Suites and the BOT Prince House are green buildings.</p> <p>◎ The Green Mark has an age limit, but it is not easy to apply for a Green Mark after the ownership of the building has been transferred.</p>
(3) Describe the financial implications of extreme climate events and transformative actions.	<p>(3) The Company has not experienced significant financial events and adverse impacts from extreme weather events to date and has identified potential financial impacts based on significant weather events and risks.</p> <p>Risk:</p> <p>With respect to existing products and services, the gradual requirement for energy-efficient buildings, smart buildings or green buildings in newly zoned areas may increase the cost of design and engineering, leading to an increase in operating costs; the tightening of regulations regarding roof insulation and drainage may increase the demand for design and engineering work, leading to an increase in operating costs; and the disruption of the supply chain and the shortage of labor and materials due to extreme weather may lead to an increase in the cost of raw materials, leading to an increase in the cost of the construction industry. This will increase the cost of the construction industry by 30% to 40%.</p> <p>Opportunity:</p> <p>In response to the government's energy and low-carbon transformation policies, such as actively pursuing incentives and subsidies for building-integrated photovoltaic power generation equipment, or the government's green building incentives, the Company is actively pursuing green building volume incentives, water consumption fee reductions and exemptions, preferential tax rates, and tariff exemptions.</p> <p>As the Company has actively developed its transformation business in recent years, it will continue to evaluate the related capital expenditures, capital requirements and related financial impacts.</p>
(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>(4) The Company organizes meetings to identify climate change risks and opportunities. The identification analysis generates a matrix, which is discussed by the members of the Board of Directors and ultimately identifies significant climate change risks and opportunities and confirms the Company's future climate change related countermeasures, which are reported to the President and ultimately the Board of Directors is responsible for reviewing and guiding the climate change strategy, action plan and annual targets, and regularly monitors the implementation status and reviews the trend of GHG emissions on an annual basis.</p>

Promoting Project	Implementation Status
<p>(5) If scenario analysis is used to assess resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors and key financial impacts should be described.</p> <p>(6) If there is a transition plan for managing climate-related risks, describe the plan and the metrics and targets used to identify and manage corporate and transition risks.</p> <p>(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be specified.</p> <p>(8) If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress towards the targets should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and amount of carbon reduction credits offset or the amount of renewable energy certificates (RECs) should be described.</p>	<p>(5) To date, the Company has not experienced any significant financial events or adverse impacts due to extreme weather events, and we are actively incorporating climate-related issues into the overall planning and design evaluation of potential future new projects and developments (e.g., related flood control facilities, etc.) to address significant risks and opportunities.</p> <p>(6) Based on the significant climate risks and opportunities identified, the Company has developed strategies to address them:</p> <p>Risk:</p> <p>For existing products and services, the Company will collect the latest laws and regulations, work with architects to design buildings that comply with laws and regulations, conduct cost-benefit evaluations, and strengthen market surveys on the risk of rising raw material costs and compile appropriate costs in line with market prices.</p> <p>Opportunity:</p> <p>In order to comply with the low-carbon energy strategy, the cost, efficiency, maintenance and service life have been taken into consideration at the early stage of the design of the new project, with energy conservation and green energy as the main considerations. For the BOT Prince House and Suites, in addition to the original green building, funds will be invested in the low-carbon energy strategy; in order to obtain the government's incentive mechanism, and in accordance with relevant laws and regulations, the construction of the redevelopment area and economic and trade zones will all be matched with the installation of sustainable, low-carbon and energy-saving equipment.</p> <p>(7) The Company is not currently subject to regulatory oversight by the relevant authorities, so it will not be affected by the carbon fee for the time being, and is less likely to be affected by external costs. Although the Company has not yet formulated its internal carbon pricing policy, the Company is actively understanding the characteristics of the industry and the carbon emissions situation as a basis for its future internal carbon pricing policy.</p> <p>(8) The Company plans to complete the consolidation of inventory data from its financial reporting subsidiaries and external third-party audit by 2025, at which time it will establish carbon reduction targets, strategies, and specific action plans.</p>
2.Greenhouse gas inventory and confirmation for the last two years.	<p>(1) GHG emissions in 2022 were 4,503.053 metric tons CO<sub>2</sub>e, with Scope 1 emissions of 495.6440 metric tons CO<sub>2</sub>e, Scope 2 emissions of 3,380.8146 metric tons CO<sub>2</sub>e, and Scope 3 emissions of 626.5939 metric tons CO<sub>2</sub>e, and the total GHG emissions intensity was 0.666 metric tons CO<sub>2</sub>e per million dollars of revenue. In 2023, the total GHG emissions are 4,430.54 metric tons CO<sub>2</sub>e, Scope 1 emissions is 477.3013 metric tons CO<sub>2</sub>e, Scope 2 emissions is 3,339.3873 metric tons CO<sub>2</sub>e, and Scope 3 emissions is 613.8532 metric tons CO<sub>2</sub>e, and the total GHG emissions intensity is 0.522 metric tons CO<sub>2</sub>e per million dollars of revenue.</p> <p>(2) In 2022, the Company completed the Parent Company Individual Inventory and external third-party assurance, and the assurance organization was SGS Taiwan Inspection Technology Co., Ltd. which conducted the verification in accordance with the international standard ISO 14064-3, and obtained the reasonable assurance level for categories 1 and 2, and the limited assurance level for categories 3 to 6 without reservation, and the relevant verification statement can be found on the Company's official website for more details. 2023 Parent company individual inventory and external third party assurance were not available at the time of publication of the Annual Report to obtain a full greenhouse gas assurance opinion, and full assurance information will be disclosed in the Sustainability Report.</p>
3.Greenhouse gas reduction targets, strategies and specific action plans	<p>(1) The Company plans to complete its first consolidated financial reporting subsidiary inventory data and external third-party verification in 2025, at which time it will establish carbon reduction targets, strategies and specific action plans.</p>

### 3.3.7 Implementation of Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company establish ethical corporate management policies by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?</p> <p>(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(3) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, implement it, and regularly review the plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Board of Directors of the Company has approved to establish the Ethical Corporate Management Best-Practice Principles, Ethical Corporate Management Operation Procedures and Guidelines, and reviewed relevant regulations on a timely basis. The Company also conducts and arranges internal and external training on important legal issues and integrity management issues, including internal control audit practices, corporate social responsibility integrity management, labor dispute prevention and corporate governance, and compliance with labor laws, the Company's legal compliance and director's supervisory obligations. Through the courses, we try to enhance employees' understanding of industry-related regulatory compliance. In 2023, the overall training amounted to 95 people and 128.5 hours.</p> <p>(2) The Company has established the operation procedures and guidelines based on the Ethical Corporate Management Best-Practice Principles, and implemented punishment for violation and rules of appeal.</p> <p>(3) The Company has established effective accounting and internal control systems against high-potential unethical operating activities. The latest code and behavior guidelines were passed by the resolution of the 16th Board of Directors of session sixteen on March 20, 2019.</p>	None
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company regularly reviews and evaluates its suppliers and contracts or documents with business partners. The "Prince Housing &amp; Development Corp. Construction Supplier Code of Conduct" is added to include terms of integrity management, personal information protection and labor rights.</p> <p>(2) The Company has established Ethical Corporate Management Team, which is supervised by the Board of Directors passed on November 3, 2016. The Ethical Corporate Management Team supervises each department's implementation of integrity management based on the Ethical Corporate Management Best-Practice Principles of the Company and related regulations. In 2023, the Company hold internal and external training related to the issue of integrity management, laws and regulations such as integrity management</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct programs audited by internal auditors or CPA periodically?</p> <p>(5) Does the Company regularly hold internal and external educational trainings on operational integrity?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>compliance, anti-corruption, insider trading, etc., with a total of 95 people and 128.5 hours, and reported to the 9th Board of Directors meeting of session seventeen (on November 10, 2023). In 2024, we expect to continue to conduct education and training courses for integrity management.</p> <p>(3) The Company has established policies to prevent conflicts of interest, in order to identify, monitor, and manage the risks of unethical conducts caused by conflicts of interest. In addition, Audit Division regularly examines and evaluates operating activities, which provides appropriate communication channels.</p> <p>(4) The Company has established effective systems for accounting, internal control, and risk management, and Audit Division regularly examines the situation and implementation.</p> <p>(5) The Company reviews the audit reports and the results completed by each department annually, and submits to Audit Committee and reports to Board of Directors.</p>	
<p>3. Operation of the integrity channel</p> <p>(1) Does the Company establish a reward and punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the Company provide proper whistleblower protection?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>According to Article 21 of the company's Ethical Corporate Management Operation Procedures and Guidelines:</p> <p>(1) There is confidential integrity hotline set up on the Company's website. The specially-assigned person of Audit Division is responsible for the integrity hotline and e-mail, dealing with the accusations or suggestions provided by the employees, suppliers and customers, and protecting the whistleblowers based on confidential retorting systems.</p> <p>The integrity hotline and e-mail of the Audit Division of the Company are listed below: Tel: (06)282-1155 #5100 E-mail: 0507031@exchange.prince.com.tw</p> <p>(2) In accordance with the above-mentioned reporting and reward system specifications established by the Company, accept employees, suppliers or customers to report illegal situations, feedback opinions or appeals, etc., and the identity of the reporter and the content of the report shall be kept confidential</p> <p>(3) In accordance with the above-mentioned reporting and reward system established by the Company, we adopt corresponding confidentiality mechanisms and whistleblower protection measures to protect whistleblowers from being improperly handled due to whistleblowing.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	√		The information regarding finance, operation, and corporate governance of the Company is disclosed to the shareholders and stakeholders on our website.	None
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies, please describe any discrepancy between the policies and their implementation: The Board of Directors has approved the Ethical Corporate Management Best-Practice Principles of the Company on May 4, 2015. The latest amendment of the Ethical Corporate Management Best-Practice Principles of the Company was by the 16th Board of Directors of session sixteen on March 20, 2019. The Company will revise regularly in accordance with the Principles and review the Principles. There has been no deviation.				
6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., Review and amend its policies). The Board of Directors has amended the Ethical Corporate Management Best-Practice Principles of the Company on March 20, 2019. The Company always emphasizes honesty as the basic concept of business operation. In the implementation of high ethical standards and perfect accounting and internal control systems, Audit Division conducts timely inspections and follow-ups. At the same time, directors, managers and all employees are committed to maintaining the integrity of the Company's operations.				

### 3.3.8 Corporate Governance Guidelines and Regulations

Please refer to the Company’s website (<http://www.prince.com.tw>), or MOPS (<http://mops.twse.com.tw>).

### 3.3.9 Other Important Information Regarding Corporate Governance

The Board of Directors passed the resolution to establish functional committee, such as Remuneration Committee and Audit Committee to enhance the corporate governance of the Board of Directors.

On August 18, 2017, the Company's interim board resolution was passed the Chairman Chih-Hsien Lo concurrently served as the Company's Chief Strategy Officer, and continued to improve the analysis and implementation of corporate governance operations in the Company's Board of Directors. On March 20, 2019, the resolution passed by the Board of Directors that the Assistant Vice President of the Administrative Department, Chun-Cheng Kuo, was appointed as the Corporate Governance Officer of the Company. On August 8, 2019, the resolution passed by the Board of Directors the appointment of advisory members from the Operation Optimization Counseling Team under the Management Committee, mainly to help directors understand the Company's operations and strengthen corporate governance. On November 4, 2022, the resolution passed by the Board of Directors that the Assistant Vice President of the Administrative Department, Chun-Cheng Kuo, was appointed as the Chief Information Security Officer of the Company, mainly for information security risk management, coordination of cross-departmental cooperation, risk control, supervision, and auditing.

The Company timely revises various corporate governance rules in accordance with the changes in laws, regulations and the environment. Since March 6, 2023, the Company and its subsidiaries have been required by the government to submit quarterly "Greenhouse Gas Inventory Project Reports".

Under the concept of enterprise sustainable management, we will continuously improve corporate governance from the aspects of organizational structure, rules and regulations, and implementation review.

### 3.3.10 Implementation of Internal Control Systems

#### A.Declaration of Internal Control

#### Prince Housing and Development Corporation Declaration of Internal Control

March 4, 2024

The internal control system in 2023 is with the following declarations made in accordance with self-inspection conducted:

1. We understand it is the responsibility of the company’s management to have internal control system established, enforced, and maintained. The company internal control system established to provide a reasonable assurance for the realization of operating effect and efficiency(including profits, performance, and assets safety), the reliability, timeliness and transparency of financial report, and the obedience of relevant regulations.
2. Internal control system is designed with limitations; therefore, no matter how perfect it is designed, an effective internal control system is to ensure the realization of the aforementioned three objectives. Due to the change of environment and condition, the effectiveness of an international control system could change at any time. Our internal control system is designed with self-monitoring mechanism; therefore, we are able to have corrective actions initiated upon identifying any nonconformity.
3. We have based on the internal control criteria of “Governing Rules for handling international; control system by public offering companies” (referred to as “the Governing Rules” hereinafter) to determine the effectiveness of internal control design and enforcement. The internal control divided into five elements: 1. Environment control, 2. Risk analysis, 3. Control process, 4.Information and communication, and 5. Supervision. Each element is subdivided into several items. Please refer to the “Governing Rules” for the details of the said items.
4. We have based on the aforementioned internal control criteria to inspect the effectiveness of internal control design and enforcement.
5. We believe that our audits provide a reasonable basis for our opinion. On December 31, 2023, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the internal control system (including the supervision and management over the subsidiaries) including the fulfillment of business performance and efficiency, the reliability, timeliness and transparency of financial statements and the obedience of governing regulations, and the design and enforcement of internal control system is free of material misstatement and is able to ensure the realization of the aforementioned objectives.
6. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Securities Transaction Regulation No. 20, No.32, No.171, and No.174.
7. This statement has been approved by the meeting of Board of Directors on March 4, 2024, and those 17 directors in presence all agree at the contents of this statement

Prince Housing and Development Corporation  
Chairman: Chih-Hsien Lo      President: Hung-Chun Lin

**B.Those who entrust a CPA to review the internal control system shall disclose the CPA's review report: none.**



**3.3.11 The Punishment Delivered to the Company and the Staff of the Company, or the Punishment Delivered by the Company to the Staff for a Violation of Internal Control System, the Major Nonconformity, and the Corrective Action in the Most Recent Years and Up to the Date of the Annual Report Printed:**

None.

**3.3.12 Major Resolutions of Shareholders Meeting and Board of Directors Meetings in the Recent Years and Up to the Date of the Annual Report Printed:**

**A. Major Resolutions and Executions of the 2023 General Shareholders Meeting:**

1. Approved the business reports and financial statements for the year of 2022.  
Status: In accordance with the Company Law, all related financial information has been submitted to the government agency to review.
2. Approved the distribution of retained earnings for the year of 2022.  
Status: The distribution of cash dividend was NT\$0.5 per share. The cash dividend was distributed on Aug. 23, 2023.
3. Amendment of the Company's Articles of Incorporations.  
Status: The proposal was resolved by the Shareholders' Meeting and immediately effective.
4. Election: The re-election of two directors (Independent Directors) for the 17th term of the Company has been announced and declared in accordance with the provisions of the Act.

**B. Major Resolutions during the Board of Directors Meetings in 2023 and to the Publish Date of the Annual Report:**

**5<sup>th</sup> Board of Directors Meeting of session seventeen (Mar. 6, 2023)**

1. Submitted the 2022 self-evaluation of directors' performance.
2. Submitted the "Greenhouse Gas Inventory Project Reports" of the Company and its subsidiaries.
3. Resolution passed to provide short-term financing of NT\$250 million to the Splendor Hospitality International Co., Ltd.
4. Resolution passed the business reports and financial reports for the year of 2022.
5. Resolution passed the distribution of retained earnings for the year of 2022. The distribution of cash dividend was NT\$0.5 per share. The total amount of cash dividend was NT\$812 million.
6. Resolution passed the type of employees' bonus and directors' remuneration in 2022.
7. Resolution passed the CPAs' independence evaluation and the designation of the CPAs in 2023, and the appointment of Kou-Hua Wang and Jun-Kai Wang from PwC as the agents of the Company's 2023 financial report reviewer and income tax declaration.
8. The resolution passed the CPA, PwC and its related companies pre-approved to provide non-certification services to the Company and its subsidiaries.
9. The resolution passed the Company's releasing of 21F. of Uni-President International Tower, No. 9 and No.11, Songgao Rd., Sinyi District, Taipei City from its related company, Uni-President International Development Co., Ltd. as Taipei office.
10. Resolution passed the declaration of internal control for year 2022.

11. Resolution passed the revision of Code of Practice for Corporate Governance.
12. Resolution passed the amendment of Articles of Company.
13. Resolution passed the 2022 director's remuneration plan.
14. Resolution passed the Manager Appraisal Assessment Plan in 2022 and 2023.
15. Resolution passed the Company's 2023 salary adjustment plan for managers and all employees.
16. Resolved that the by-election of two directors (independent directors) for the 17th term of the Company be approved and the slate of independent director candidates be approved for nomination and consideration by the Board of Directors.
17. Resolution passed to convene 2023 general Shareholders Meeting.

**6<sup>th</sup> Board of Directors Meeting of session seventeen (May 8, 2023)**

1. Submitted the "Greenhouse Gas Inventory Project Reports" of the Company.
2. Resolution passed the issuance of ordinary corporate bonds in 2023, with an amount not exceeding NT\$2.5 billion.
3. Resolution passed the consolidated financial reports for the first quarter of year 2023.

**7<sup>th</sup> Board of Directors Meeting of session seventeen (Jun. 20, 2023)**

1. Resolved that the proposed date of August 4, 2023, be adopted as the ex-dividend date for the Company's cash dividends and that August 23, 2023, be adopted as the payment date for the cash dividends.

**8<sup>th</sup> Board of Directors Meeting of session seventeen (Aug. 7, 2023)**

1. Resolution passed to provide short-term financing of NT\$1.5 billion to the Splendor Hospitality International Co., Ltd.
2. Resolution passed the consolidated financial reports for the second quarter of year 2023.
3. Resolution passed the Company's amendments of Operating Procedures of Internal Control.
4. Resolution approved the appointment of three independent directors including Mrs. Chen-Ming Chang and Mr. Jun-Shen Tseng as members of the Remuneration Committee of session five of the Company.

**9<sup>th</sup> Board of Directors Meeting of session seventeen (Nov. 10, 2023)**

1. Announced the completion of the Company's directors' and officers' liability insurance.
2. Submitted the Integrity Management Promotion Project Report and Corporate Social Report.
3. Submitted the Greenhouse Gas Inventory Report of the Company.
4. Resolution passed the 2024 budgeting plan.
5. Resolution passed the consolidated financial reports for the third quarter of year 2023.
6. Resolution passed the purchase of shares of Nantex Industry Co., Ltd.
7. Resolution passed the Company's plan to conduct issuance of new share through cash capital increase to Prince Industrial Corp. of NT\$1.2 billion, with 120 million shares at par value of NT\$10 per share by installments.
8. Resolution passed that the Company provides a short-term financing loan of NT\$100 million to Prince Industrial Corp., which the Company 100% fully owns.
9. The resolution passed that the Company provides a short-term financing loan of NT\$200 million to Prince Chong-De Industrial Corp., which the Company's 100% fully owning,

Prince Industrial Corp., 100% fully owns.

10. The resolution passed that the Company provides a short-term financing loan of NT\$100 million to Cheng-Shi Construction Co., Ltd., which the Company's 100% fully owning, Cheng-Shi Investment Holdings Co., Ltd., 100% fully owns.
11. Resolution passed the audit plan for year 2024.
12. Resolution passed the appointment of the vice president of the office of the chairman of the Company.
13. Resolution passed 2023 Company's bonus adjustment plan of managers.
14. Resolution passed the implementation plan of Remuneration Committee in 2024.
15. Resolution passed the evaluation and revitalization of assets held by the Company.

#### 10<sup>th</sup> Board of Directors Meeting of session seventeen (Mar. 4, 2024)

1. Submitted the self-evaluation of directors' performance.
2. Submitted the Greenhouse Gas Inventory Report of the Company and the subsidiaries.
3. Resolution passed to provide short-term financing of NT\$250 million to The Splendor Hospitality International Co., Ltd.
4. Resolution passed the business reports and financial reports for the year of 2023.
5. Resolution passed the distribution of retained earnings for the year of 2023. The distribution of cash dividend was NT\$0.36 per share. The total amount of cash dividend was NT\$584 million.
6. Resolution passed the type of employees' bonus and directors' remuneration in 2023.
7. Resolution passed the CPAs' independence evaluation and the designation of Chien-Chih Wu and Jun Kai Wang from PwC as the CPAs of the Company in 2024.
8. Resolution passed the declaration of internal control for year 2023.
9. Resolution passed the amendment of the Rules of Procedure for Board of Directors Meetings.
10. Resolution passed the organizational procedures of the Company's Audit Committee.
11. Resolution passed the 2023 director's remuneration plan.
12. Resolution passed the Manager Appraisal Assessment Plan in 2023 and 2024.
13. Resolution passed to convene 2024 general Shareholders Meeting.

#### 11<sup>th</sup> Board of Directors Meeting of session seventeen (May 8, 2024)

1. Submit the Greenhouse Gas Inventory Report of the subsidiaries on a quarterly basis in accordance with government regulations.
2. Resolution passed the consolidated financial reports for the first quarter of year 2024.
3. Resolution passed the organizational procedures of the Company's Audit Committee.
4. Resolution passed the amendment of Articles of Company.
5. Resolution passed the matters newly added to the 2023 general Shareholders Meeting.

#### 3.3.13 The Directors or Supervisors who have Objected to the Resolutions Reached by the Board of Directors and the Objections are Recorded or Declared in Writing in the Most Recent Year and up to Date of the Annual Report Printed:

None.

#### 3.3.14 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D in the Most Recent Year and up to Date of the Annual Report Printed:

None.

#### 3.4 Information Regarding the Company's Audit Fees

##### 3.4.1 The Non-audit Fees Paid to CPAs, CPA Firm, and the CPA Firm's Related Party Accounted for Over A Quarter of the Total Audit Fees, the Audit and Non-audit Amount and the Non-audit Service Must Be Disclosed:

Unit: NT\$ thousand

CPA Firm	CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Note
PWC	Jun-Kai Wang	Year of 2023	4,420	2,777	7,197	- Financial Reports Translation: NT\$940 thousand
	Kou-Hua Wang					- Transfer Pricing: NT\$400 thousand
						- Issuance of Corporate Bonds: NT\$230 thousand
						- ESG Report Assurance Service: NT\$194 thousand
						- Tax Compliance & Other Consulting : NT\$1,013 thousand

Note: If the Company changed CPAs or CPA Firms in this current year, please list the review period separately, explain the reasons for the replacement in the Note column, and disclose the audit and non-audit public fees paid in order. The non-audit public fees shall be noted and disclosed the service content

##### 3.4.2 CPA Replacement Information:

None.

##### 3.4.3 If the Chairman, President, and Finance or Accounting Manager of the Company who had Worked for the Independent Auditor or the Related Party in the Most Recent Year, the Name, Title, and Term with the Independent Auditor or the Related Party must be Disclosed:

None.

#### 3.5 Equity Transferred and Equity Pledged (or Changes thereto) by Directors, Supervisors, Department Heads and Shareholders of 10% Shareholding or More during the Preceding Fiscal Year or in the Current Fiscal Year up to the Date of Printing of the Annual Report

**Changes in Equity of Directors, Managers and Major Shareholders**

Title	Name	2023		As of Apr.22, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Uni-President Enterprises Corp. (Note 1)				
Chairman	Uni-President Enterprises Corp. Rep: Chih-Hsien Lo				
Director	Kao Chyuan Inv. Co., Ltd.				
Director	Kao Chyuan Inv. Co., Ltd., Rep: Shiow-Ling Kao				
Director	Uni-President Enterprises Corp. Rep: Tsung-Ping Wu				
Director	Chao-Mei Wu Tseng				
Director	Taipo Investment Co. Ltd.				
Director	Taipo Investment Co. Ltd., Rep: Chien-Te Wu				
Director	Taipo Investment Co. Ltd., Rep: Ping-Chih Wu				
Director	Young Yun Inv. Co., Ltd.				
Director	Young Yun Inv. Co., Ltd., Rep: Chung-Ho Wu				
Director	Hung Yao Inv. Co., Ltd.				
Director	Hung Yao Inv. Co., Ltd., Rep: Shih-Hung Chuan				
Director	Yu Peng Investment Corp.				
Director	Yu Peng Investment Corp. Rep: Po-Ming Ho	(11,943,000)			
Director	Sheng-Yuan Inv. Co., Ltd.				
Director	heng-Yuan Inv. Co., Ltd., Rep: Po-Yi Hou				
Director	Hsin Yung Hsing Inv. Co.,Ltd.				
Director	Hsin Yung Hsing Inv. Co.,Ltd. Rep: Chih-Yuan Ho				
Director	Ruixing International Inv. Co., Ltd.				
Director	Ruixing International Inv. Co., Ltd. Rep: Ying-Chih Chuan				
Independent Director	Peng-Ling Nie				
Independent Director	Tse Hsiang Ting				
Independent Director	Meng-Hsiu Chen				
Independent Director	Jun-Shen Tseng				
Independent Director	Chen-Ming Chang				
President	Hung Chun Lin				
Vice President	Hung-Yu Wu				
Vice President	Xiao-Yu Chiang				
Assistant Vice President	Jian-Ying Wu				
Assistant Vice President	Chun-Liang Lin				

Title	Name	2023		As of Apr.22, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Assistant Vice President	Chun-Cheng Kuo				
Assistant Vice President	Shu-Ching Chang				
Manager	Da-Chang Tai				

Note 1: Shareholders holding more than 10% of the Company's total shares shall be indicated as major shareholders and be listed separately. Uni-President Enterprises Corp. was a major shareholder holding 10.02% of the Company's shares at the end of 2022.

Note 2: The counterparty of the equity transfer or equity pledge is a related person: Director Po-Ming Hou and the representative of Qi-Liu Investment Co., Ltd are the same person.

**Shares Transferring with Related Parties**

Name (Note 1)	Reason of Transfer (Note 2)	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT\$)
Po-Ming Hou	Establishment and issuance of shares to offset payment	Sep. 7, 2023		Qi-Liu Investment Co., Ltd.	11,943,000	NT\$11.5/ per share

Note 1: Fill in the name of the company's directors, managers and shareholders with a shareholding ratio of more than 10%.

Note 2: Fill in acquisition or disposal.

**Shares Pledge with Related Parties**

Unit: NT\$ dollar

Name (Note 1)	Reason of Pledge (Note 2)	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Shares holding %	Shares Pledged %	Pledge (redemption) Amount
None								

Note 1: Fill in the name of the company's directors, managers and shareholders with a shareholding ratio of more than 10%.

Note 2: Fill in pledge or redemption.

**3.6 Information on the Relationship among the Top Ten Shareholders, Their Spouses and Their Relatives:**

As of Apr. 22, 2024

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Note
	Shares	%	Shares	%	Shares	%	Name	Relation	
Uni-President Enterprises Co.	162,743,264	10.02%	-	-	-	-	Kao Chyuan Inv. Co., Ltd.	Chairman	
							Taipo Inv. Co., Ltd.	Director	
							President International Development Corp.	Subsidiary	
Uni-President Enterprises Co. Rep: Chih-Hsien Lo	-	-	425,013	0.03%	-	-	Kao Chyuan Inv. Co., Ltd. Rep: Shiow-Ling Kao	Spouse	
Taipo Inv. Co., Ltd.	116,730,587	7.19%	-	-	-	-	Uni-President Enterprises Co.	Director	
Taipo Inv. Co., Ltd. Rep: Wei-De Wu	98,654	0.01%	239,010	0.01%	-	-	Chao-Mei Wu Tseng	Mother and son	
Kao Chyuan Inv. Co., Ltd.	68,464,308	4.22%	-	-	-	-	Uni-President Enterprises Co.	Director	
							President International Development Corp.	Director	



Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Note
	Shares	%	Shares	%	Shares	%	Name	Relation	
Kao Chyuan Inv. Co., Ltd. Rep: Shiow-Ling Kao	425,013	0.03%	-	-	-	-	Uni-President Enterprises Co. Rep: Chih-Hsien Lo	Spouse	
Nan Fan Housing Development Co., Ltd.	57,735,474	3.56%	-	-	-	-	None	None	
Nan Fan Housing Development Co., Ltd. Rep: Po-Ming Hou	10,980,624	0.68%	-	-	11,943,000	0.74%	Universal Investment Corp. Rep: Po-Yi Hou	Brothers	
							Hsin Yung Hsing Inv. Co. Ltd. Rep: Po-Yu Hou	Brothers	
President International Development Corp.	54,478,000	3.36%	-	-	-	-	Uni-President Enterprises Co. Kao Chyuan Inv. Co., Ltd.	Chairman Director	
President International Development Corp. Rep: Chih-Hsien Lo	-	-	425,013	0.03%	-	-	Kao Chyuan Inv. Co., Ltd. Rep: Shiow-Ling Kao	Spouse	
Ruixing International Investment Co., Ltd.	47,584,139	2.93%	-	-	-	-	None	None	
Ruixing International Investment Co., Ltd. Rep: Ying-Nan Chuang	487,000	0.03%	1,875,588	0.12%	-	-	None	None	
Chao-Mei Wu Tseng	42,956,030	2.65%	-	-	-	-	Taiipo Inv. Co., Ltd. Rep: Wei-De Wu	Mother and son	
Universal Investment Corp.	42,375,900	2.61%	-	-	-	-	None	None	
Universal Investment Corp. Rep: Po-Yi Hou	13,701,215	0.84%	-	-	-	-	Hsin Yung Hsing Inv. Co., Ltd. Rep: Po-Yu Hou	Brothers	
							Universal Cement Corp. Rep: Bo-Chih Inv. Co., Ltd.	Same rep.	
							Nan Fan Housing Development Co., Ltd. Rep: Po-Ming Hou	Brothers	
Universal Investment Corp.	38,316,900	2.36%	-	-	-	-	None	None	
Universal Investment Corp. Rep: Po-Yi Hou	13,701,215	0.84%	-	-	-	-	Hsin Yung Hsing Inv. Co., Ltd. Rep: Po-Yu Hou	Brothers	
							Universal Cement Corp. Rep: Po-Yi Hou	Same rep.	
							Nan Fan Housing Development Co., Ltd. Rep: Po-Ming Hou	Brothers	
Universal Cement Corp.	40,621,948	2.50%	-	-	-	-	None	None	
Universal Cement Corp. Rep: Bo-Chih Inv. Co., Ltd. (Bo-Chih Inv. Co., Ltd. Rep: Po-Yi Hou)	2,266,000	0.14%	-	-	-	-	Hsin Yung Hsing Inv. Co., Ltd. Rep: Po-Yu Hou	Brothers	
							Universal Investment Corp. Rep: Po-Yi Hou	Same rep.	
							Nan Fan Housing Development Co., Ltd. Rep: Po-Ming Hou	Brothers	
Hsin Yung Hsing Inv. Co., Ltd.	26,471,128	1.63%	-	-	-	-	None	None	
Hsin Yung Hsing Inv. Co., Ltd. Rep: Po-Yu Hou	-	-	-	-	-	-	Universal Investment Corp. Rep: Po-Yi Hou	Brothers	
							Nan Fan Housing Development Co., Ltd. Rep: Po-Ming Hou	Brothers	

Note 1: All the top ten shareholders shall be listed. If they are legal person shareholders, the names of the legal person shareholders and the names of the representatives shall be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in their own name, spouse, minor children or using the name of others separately.

Note 3: The shareholders listed in the disclosure, including legal persons and natural persons, shall disclose their relationship in accordance with the standards.

### 3.7 The Number of Shares Held by the Company, Its Directors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Reinvested Business and the Consolidated Shareholding Ratio

#### Consolidated Shareholding Ratio

Unit: Shares; %. As of Dec. 31, 2023.

Investees	Investment of the Company		Investments from Directors, Supervisors, Managers and Directly or Indirectly Controlled Business		Total Investment	
	Shares	%	Shares	%	Shares	%
Cheng-Shi Investment Holdings Co., Ltd.	149,365,000	100.00%	-	-	149,365,000	100.00%
Ta Chen Construction & Engineering Corp.	-	-	122,616,762	100.00%	122,616,762	100.00%
Prince Utility Co., Ltd.	-	-	3,070,000	100.00%	3,070,000	100.00%
Cheng-Shi Construction Co., Ltd.	-	-	20,100,000	100.00%	20,100,000	100.00%
Prince Property Management Consulting Co.	17,146,580	100.00%	-	-	17,146,580	100.00%
Prince Apartment Management & Maintenance Co., Ltd.	-	-	3,000,000	100.00%	3,000,000	100.00%
Prince Security & Guard Co., Ltd.	-	-	13,172,636	100.00%	13,172,636	100.00%
Geng-Ding Co., Ltd.	18,000,000	30.00%	-	-	18,000,000	30.00%
Prince Housing Investment Co., Ltd.	428	100.00%	-	-	428	100.00%
Uni-President Development Corp.	108,000,000	30.00%	-	-	108,000,000	30.00%
The Splendor Hospitality International Co., Ltd.	32,500,000	50.00%	-	-	32,500,000	50.00%
Times Square International Holding Co.	57,430,000	100.00%	-	-	57,430,000	100.00%
Times Square International Hotel Corp.	-	-	54,750,000	100.00%	54,750,000	100.00%
Times Square International Stays Corp.	-	-	10,000,000	100.00%	10,000,000	100.00%
Jin-Yi-Xing Plywood Co., Ltd.	3,938,168	99.65%	-	-	3,938,168	99.65%
Prince Industrial Corp.	45,000,000	100.00%	-	-	45,000,000	100.00%
Prince Real Estate Co., Ltd.	12,292,315	99.68%	-	-	12,292,315	99.68%
PPG Investment Inc.	-	-	273	27.30%	273	27.30%
Queen Holdings Ltd.	-	-	2,730	27.30%	2,730	27.30%
Amida Trustlink Assets Management Co., Ltd.	-	-	21,525,020	45.21%	21,525,020	45.21%
Prince Chong-De Industrial Corp.	-	-	20,000,000	100.00%	20,000,000	100.00%
Prince Da-Li-Yi Industrial Corp.	-	-	15,000,000	100.00%	15,000,000	100.00%

Note: the investment made by the Company using the equity method.



# Chapter IV

Annual Report 2023



## Capital Overview

### IV. Capital Overview

#### 4.1 Capital and Shares

##### 4.1.1 Source of Capital

###### A. Issued Shares

As of May 15, 2024

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Note		
		No. of Shares	Amount (NT\$)	No. of Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Mar. 2003	\$10	905,839,645	9,058,396,450	905,839,645	9,058,396,450	Cancellation of Treasury shares	None	-
Oct. 2005	\$10	1,200,000,000	12,000,000,000	901,333,032	9,013,330,320	Capitalization of retained earnings and cancellation of Treasury shares	None	-
May 2006	\$10	1,200,000,000	12,000,000,000	865,126,032	8,651,260,320	Cancellation of Treasury shares	None	-
Oct. 2007	\$10	1,200,000,000	12,000,000,000	930,010,484	9,300,104,840	Capitalization of retained earnings	None	-
Oct. 2008	\$10	1,200,000,000	12,000,000,000	957,910,798	9,579,107,980	Capitalization of retained earnings	None	-
Oct. 2010	\$10	1,200,000,000	12,000,000,000	996,227,230	9,962,272,300	Surplus and capital reserve-capitalization of Treasury shares	None	-
Oct. 2011	\$10	1,200,000,000	12,000,000,000	1,085,887,681	10,858,876,810	Capitalization of retained earnings	None	-
Oct. 2012	\$10	1,200,000,000	12,000,000,000	1,194,476,449	11,944,764,490	Capitalization of retained earnings	None	-
Sep. 2013	\$10	1,600,000,000	16,000,000,000	1,313,924,094	13,139,240,940	Capitalization of retained earnings	None	-
Apr. 2014	\$14.45	2,000,000,000	20,000,000,000	1,613,924,094	16,139,240,940	Capital increased by cash	None	-
Sep. 2014	\$10	2,000,000,000	20,000,000,000	1,662,341,817	16,623,418,170	Capitalization of retained earnings	None	-
Nov. 2015	\$10	2,000,000,000	20,000,000,000	1,623,326,147	16,233,261,470	Cancellation of Treasury shares	None	-

###### B. Type of Stock

As of Apr. 22, 2024

Share Type	Authorized Capital			Note
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	1,623,326,147	376,673,853	2,000,000,000	-

###### C. Aggregated declaration information:

None.

#### 4.1.2 Status of Shareholders

As of Apr. 22, 2024

Amount \ Status	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institution and Natural Person	Total
Number of Shareholders	1	-	259	56,321	177	56,758
No. of Shares	32,766	-	800,066,997	711,997,174	111,229,210	1,623,326,147
Percentage (%)	0.00%	-	49.29%	43.86%	6.85%	100.00%

Note: Listed (over-the-counter) companies and emerging counter companies should disclose their shareholding ratios from mainland investors; mainland investors refer to the people, legal persons, groups, other institutions, or their investment companies in third regions.

#### 4.1.3 Status of Share Distribution (Common Shares)

The par value of NT\$10/share.

Aof Apr. 22, 2024

Level of Shareholding (Unit: shares)	No. of Shareholders	No. of Shareholding	Percentage
1-999	31,149	4,860,482	0.30
1,000-5,000	16,019	35,224,709	2.17
5,001-10,000	3,957	30,276,875	1.86
10,001-15,000	1,550	18,951,591	1.17
15,001-20,000	926	16,876,293	1.04
20,001-30,000	926	23,054,238	1.42
30,001-40,000	435	15,394,264	0.95
40,001-50,000	321	14,872,641	0.92
50,001-100,000	670	48,442,830	2.98
100,001-200,000	344	48,767,440	3.00
200,001-400,000	177	50,491,135	3.11
400,001-600,000	81	39,548,681	2.44
600,001-800,000	31	21,428,210	1.32
800,001-1,000,000	33	29,975,387	1.85
1,000,001 or more	139	1,225,161,371	75.47
Total	56,758	1,623,326,147	100.00

#### 4.1.4 List of Major Shareholders

As of Apr. 22, 2024

Shareholder's Name	No. of Shareholding	Percentage of Shareholding (%)
Uni-President Enterprise Corp.	162,743,264	10.02%
Taipo Inv. Co., Ltd.	116,730,587	7.19%
Kao Chyuan Inv. Co., Ltd.	68,464,308	4.22%
Tainan Spinning Co, Ltd.	57,735,474	3.56%
President International Development Corp.	54,478,000	3.36%
Ruixing International Inv. Co., Ltd.	47,584,139	2.93%
Chao-Mei Wu Tseng	42,956,030	2.65%
Universal Investment Corporation	42,375,900	2.61%
Universal Cement Corporation	40,621,948	2.50%
Hsin Yung Hsing Inv. Co.,Ltd.	26,471,128	1.63%

#### 4.1.5 Market Price, Net Worth, Earnings and Dividends per Share

Item \ Year		2022	2023	As of Mar. 31, 2024 (Note 9)
Market Price per Share (Note 1)	Highest	14.35	12.50	11.30
	Lowest	10.10	10.45	10.00
	Average	12.32	11.34	10.33
Net Worth per Share (Note 2)	Before Distribution	15.85	15.85	15.78
	After Distribution	15.34	(Note 8)	N/A
Earnings per Share (Note 3)	Weighted Average Shares	1,622,670,723	1,622,670,723	1,622,670,723
	Diluted Earnings per Share	0.91	0.37	0.08
	Adjusted Earnings per Share	0.91	(Note 8)	
Dividends per Share	Cash Dividends	0.5	(Note 8)	N/A
	Stock Dividends from Capital Surplus	0	(Note 8)	N/A
	Stock Dividends from Retained Earnings	0	(Note 8)	N/A
	Accumulated Undistributed Dividends (Note 4)	0	0	N/A
Return of Investment	Price/Earnings Ratio (Note 5)	13.54	30.66	N/A
	Price/Dividend Ratio (Note 6)	24.63	(Note 8)	N/A
	Cash Dividend Yield Rate (Note 7)	00.04	(Note 8)	N/A

\* If there is an earnings surplus or capital surplus converted into capitalization, the market price and cash dividend information retroactively adjusted according to the number of shares issued should be disclosed.

Note 1: List the highest and lowest market prices of ordinary shares in each year, and calculate the average market price of each year based on the annual transaction value and volume.



Note 2: According to the number of shares issued at the end of the year and based on the resolution of the Board of Directors or of the next year's Shareholders' meeting.

Note 3: If any retrospective adjustments are required due to stock dividend allocation, the earnings before and after adjustment shall be shown.

Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year can be accumulated until the surplus is paid in the year, they should separately disclose the accumulated outstanding dividends as of the current year.

Note 5: Price/Earnings Ratio = Average Market Price/Earnings per Share

Note 6: Price/Dividend Ratio = Average Market Price/Cash Dividends per Share

Note 7: Cash Dividend Yield Rate = Cash Dividends per Share/Average Market Price

Note 8: Capital Surplus for the year of 2022 is undistributed yet.

Note 9: Information such as net value per share and earnings per share on March 31, 2024 was disclosed in the first quarter consolidated financial report prepared in accordance with International Financial Reporting Standards, which has been reviewed by CPAs.

#### 4.1.6 Dividend Policy and Implementation Status

##### A. Dividend Policy

The Company's industrial environment has reached a mature stage, while there is a strong competition in the industry. The Board of Directors should consider the Company's future capital expenditure budget and capital needs for the preparation of the surplus distribution proposal. The Board of Directors should also measure the necessity of using surplus to meet capital needs and determine the amount of surplus retention or distribution. The distribution can be in the form of cash or stock.

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. Implementation

Unit: NT\$ per share

Year \ Item	Cash Dividends	Stock Dividends
2007	0.3	0.3
2008	-	-
2009	0.2	0.4
2010	0.9	0.9
2011	0.5	1.0
2012	0.5	1.0
2013	0.3	0.3
2014	0.8	-
2015	1.1	-
2016	1.0	-
2017	0.65	-
2018	0.65	-
2019	0.5	-
2020	0.4	-
2021	0.5	-
2022	0.5	-
2023	To be distributed by the Shareholders meeting	To be distributed by the Shareholders meeting

##### C. Proposed Distribution of Dividend

Unit: NT \$

1. Available for distribution	
a. Undistributed Earnings in the beginning	2,694,499,308
b. Plus: Net Income for year 2023	592,617,653
c. Less: Actuarial loss on defined benefit plan	(5,736,561)
d. Less: Provision for legal reserve	(58,688,109)
e. Less: Provision for legal reserve	3,222,692,291
2. Items	
Payment of cash dividends (\$0.36 per share)	(584,397,413)
3. Accumulated undistributed earnings	
	2,638,294,878

Note 1: The priority of the order for the surplus distribution is to distribute the surplus from the year of 2023.

Note 2: The amount of shareholder's dividends less than NT\$ \$1 is transferred to the Company's employee welfare committee.

#### 4.1.7 The Effect on Business Performance, Earnings per Stock, and Return on Investment Proposed by Stock Dividend

Not available as there is no issuance of bonus shares in the year of 2023.

#### 4.1.8 Employee Bonus and Directors' and Supervisors' Remuneration

##### A. Information Relating to Employee Bonus and Directors' and Supervisors' Remuneration in the Articles of Incorporation

According to the Article 32 of the Company Charter, the Company shall distribute no less than 2% of net earnings as a bonus to employees and no more than 3% of net earnings as a remuneration to directors and supervisors. If the Company has accumulated deficit, the current year's net earnings shall offset the accumulated deficit. The above-mentioned remuneration to employees might be in the form of cash or shares. The Board of Directors has the discretion on the conditions and procedures of making such distributions. It might also be distributed to eligible employees of the subsidiary companies.

##### B. The Calculation Basis of Allocating Directors' and Supervisors' Remuneration, Employee Bonus in Stock and The Accounting Adjustment If The Actual Distribution Amount Is Different from The Estimated Amount

1. The method of valuation shall be handled in accordance with Article 32 of the Company Charter.
2. Proposed by the 4<sup>th</sup> Remuneration Committee meeting of session five (March 4, 2024) and resolved by the 10<sup>th</sup> Board of Directors meeting of session seventeen (March 4, 2024), the remuneration to directors and supervisors, calculated as no more than 3% of the net earnings, amounts to NT\$22,237,934 and is paid in the form of cash.
3. Resolved by the 10<sup>th</sup> Board of Directors meeting of session seventeen (March 4, 2024), the bonus to employees amounts to NT\$65,366,051 and is paid in the form of cash.
4. There is no difference between the resolved amount above and the recognized amount in 2023.

##### C. Profit Distribution Approved by the Board of Directors for Employee Bonus and Directors' and Supervisors' Remuneration

1. The amount of employee remuneration and director remuneration distributed in cash or stock. If there is any discrepancy from the estimated amount of recognized expenses in the year, the discrepancy, reason and treatment shall be disclosed:  
  
Resolved by the 10<sup>th</sup> Board of Directors meeting of session seventeen (March 4, 2024), remuneration to directors and supervisors amounts to NT\$22,237,934 and the bonus to employees amounts to NT\$65,366,051, both in the form of cash. There is no difference between the resolved amount above and the recognized amount in 2023.
2. Ratio of employee compensation distributed in stock to the net profit after tax and total employee compensation: None.

#### D. The Difference between Actual Distribution and the Recognized Amount of Employee Bonus, Directors' and Supervisors' Remuneration in the Previous Year (including the Number of Shares Distributed, Amount and Stock Price), the Reasons and Adjustments Shall Be Stated:

None.

#### 4.1.9 Treasury Stock Buyback

None

#### 4.2 Issuance of Corporate Bonds

- A. On March 26, 2012, Board of Directors passed the resolution to issue NT\$2 billion of domestic secured corporate bonds. Financial-Supervisory-Securities-Corporate Issue No. 1010029026 was approved by Financial Supervisory Commission on July 2, 2012. This issuance was completed on July 12, 2012. The full amount of bullet repayment has been occurred on July 12, 2017.
- B. On March 15, 2013, Board of Directors passed the resolution to issue NT\$2.5 billion of domestic secured corporate bonds. Financial-Supervisory-Securities-Corporate Issue No. 1020040481 was approved by Financial Supervisory Commission on March 15, 2013. This issuance was completed on November 21, 2013. The full amount of bullet repayment has been occurred on November 21, 2018.
- C. On March 22, 2017, Board of Directors passed the resolution to issue NT\$2 billion of domestic secured corporate bonds. Taipei-Exchange Issue No. 10600150871 was approved by Taipei Exchange on June 12, 2017. This issuance was completed on June 19, 2017.
- D. On March 20, 2018, Board of Directors passed the resolution to issue NT\$2.5 billion of domestic secured corporate bonds. Taipei-Exchange Issue No. 10700144711 was approved by Taipei Exchange on June 6, 2018. This issuance was completed on June 15, 2018.
- E. On May 6, 2022, Board of Directors passed the resolution to issue NT\$2 billion of domestic secured corporate bonds. Taipei-Exchange Issue No. 11100056491 was approved by Taipei Exchange on June 9, 2022. This issuance was completed on June 16, 2022.
- F. On May 8, 2023, Board of Directors passed the resolution to issue NT\$2.5 billion of domestic secured corporate bonds. Taipei-Exchange Issue No. 11204003081 was approved by Taipei Exchange on June 9, 2023. This issuance was completed on June 13, 2023.

### Issuance of Corporate Bonds

Type of Corporate Bonds	1 <sup>st</sup> Domestic Secured Corporate Bonds in 2022 (Note 3)	1 <sup>st</sup> Domestic Secured Corporate Bonds in 2023 (Note 3)
Issuance Date	Jun. 16, 2022	Jun. 13, 2023
Par Value	NT\$1,000,000	NT\$1,000,000
Issuance price	At Par	At Par
Total Price	NT\$2 billion	NT\$2.5 billion
Rate	Fixed rate 1.58%	Fixed rate 1.54%
Period	5 years. Maturity date: Jun. 16, 2027	5 years. Maturity date: Jun. 13, 2028
Guarantee Agency	Bank of Taiwan	Bank of Taiwan
Trustee	Mega International Commercial Bank	CTBC Bank
Underwriter	BankTaiwan Securities Co., Ltd.	BankTaiwan Securities Co., Ltd.
Lawyer	Sheng-Jun Lin	Sheng-Jun Lin
Certified Public Accountant	Kao Hwa, Wang & Chung-Yu Tien	Kao Hwa, Wang & Jun Kai Wang
Repayment	Bullet	Bullet
Outstanding Amount	NT\$2 million	NT\$2.5 million
Redemption or Early Repayment Clause	None	None
Covenants (Note 2)	None	None
Credit Rating	None	None
Other Rights of Bondholders	None	None
Conversion Rights	None	None
Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	None	None
Dilution Effect and Other Adverse Effects on Existing Shareholders	None	None
Custodian	None	None

Note 1: The status of corporate bond processing includes public offering and private placement corporate bonds. The public offering corporate bonds that are being processed refer to those that have been validated (approved); the private placement corporate bonds that are being processed refer to those that have been approved by the Board of Directors.

Note 2: Such as restricting the distribution of cash dividends, foreign investment, or requiring the maintenance of a certain proportion of assets.

Note 3: Private placements shall be clearly marked.

Note 4: For conversion of corporate bonds, exchange of corporate bonds, general application for issuance of corporate bonds or corporate bonds with stock warrants, the information on the conversion of corporate bonds, exchange of corporate bonds, general application for issuance of corporate bonds, and stock warrants should be disclosed in the form listed in the table.

#### 4.3 Issuance of Preferred Shares

None

#### 4.4 Global Depository Receipts

None

#### 4.5 Employee Stock Options

None

#### 4.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

#### 4.7 Information on Implementation of the Company's Funds Utilization Plans

##### A. Description of the Plan

As of the quarter before the printing date of the annual report, the previous issuance or private placement of securities has not been completed or has been completed in the past three years and the planned benefits have not yet shown:

In 2023 domestic secured corporate bonds were issued. The use of funds raised from this issuance of corporate bonds is mainly to improve the stability of the Company's fund and repay the secured corporate bonds raised in the previous period. The actual issuance was NT\$2.5 billion, which was approved by Taipei Exchange and completed on June 13, 2023.

##### B. Status of Implementation

Regarding the use of each plan in the preceding paragraph, an item-by-item analysis as of the quarter before the printing date of the annual report, the comparison between its implementation and the original expected benefits:

The first domestic secured corporate bond issuance of NT\$2 billion in 2012 was completed on July 12, 2012. The purpose of the funds is to repay short-term loans, reduce debt ratio and strengthen financial structure. The full amount of bullet repayment has been occurred on July 12, 2017.

The first domestic secured corporate bond issuance of NT\$2.5 billion in 2013 was completed on November 21, 2013. The purpose of the funds is to repay short-term loans, reduce debt ratio and strengthen financial structure. The full amount of bullet repayment has been occurred on November 21, 2018.

The first domestic secured corporate bond issuance of NT\$2 billion in 2017 was completed on June 19, 2017. The purpose is to repay the first repayments of the domestic secured corporate bonds issued in 2012. The full amount of bullet repayment has been occurred on June 19, 2022.

The first domestic secured corporate bond issuance of NT\$2.5 billion in 2018 was completed on June 15, 2018. The purpose is to repay the first repayment of the domestic secured corporate bonds issued in 2013.

The first domestic secured corporate bond issuance of NT\$2 billion in 2022 was completed on June 16, 2022. The purpose is to repay the first repayment of the domestic secured corporate bonds issued in 2017.

The first domestic secured corporate bond issuance of NT\$2.5 billion in 2023 was completed on June 13, 2023. The purpose is to repay the first repayment of the domestic secured corporate bonds issued in 2018.



# Chapter V

Annual Report 2023



## Operational Highlights

### V. Operational Highlights

#### 5.1 Business Activities

##### 5.1.1 Business Scope

###### A. Main Areas of Business Operations

- 1. Construction: Design, build, operate, rent, and agency of land, commercial and residential buildings; manufacturing, transaction and consignment of construction raw materials; agency of promotion on construction technique; urban renewal, land rezoning and developing; any domestic and international construction project, architecture design of professional building etc.
- 2. Hospitality & Lodging: Build, operate and manage National Taiwan University and National Cheng Kung University dormitory BOT projects; enter hospitality industry by investing and building while entrusting operation and management rights to the professional team. Examples such as Times Square International Hotel (W Hotel Taipei and Hotel Resonance Taipei), The Splendor Hotel Taichung and Howard Beach Resort Kenting.
- 3. Others: Security and guard service, property management and maintenance, real estate development, lease and sale, utility and facility plan, design, construction and investment. In addition to the licensing business, an operating act is not prohibited or restricted.

###### B. Revenue Distribution

The year of 2023; Unit: NT\$ thousand

Major Divisions	Total Sales	Percentage of Total Sales (%)	Note
Construction Income	4,575,513	54%	-
Hospitality & Lodging Income	3,344,144	39%	-
Other Operating Income	565,572	7%	-
Total	8,485,229	100%	-

###### C. Current Product Lines, New Product Developments and Future Services

Current products and services would be the basis of future business plans.

- 1. Operating Division: Steady and robust growth.
  - a. Products
    - Core Business: Focus on building and selling residential and commercial projects.
    - Construction: Focus on undertaking public projects and private development cases.
  - b. Business management
    - Implement overall performance management system, introduce a learning organization and improve management profits.
    - Emphasize on talent development and capable management team.
    - Make good use of information tools to enhance decision-making efficiency and quality.
- 2. Hospitality, Lodging and Other Divisions:
  - a. Hospitality and Lodging: Times Square International Hotel, Times Square International Stays, The Splendor Hotel Taichung, Howard Beach Resort Kenting and BOT projects.
  - b. Property Management and Lease: Commercial buildings and premises for rent; integrate security and guard service and property management.
  - c. Biochemical Science and Technology: Invest in ScinoPharm Taiwan, Ltd.



### 5.1.2 Industry Overview

#### A. Industry Status and Development

- **Construction:** In recent years, the Company actively focuses on developing suburbs in traffic arteries and rezoned cities as well as launching large-scale residential housing proposals resulting in outstanding sales outcome.
- **Hospitality, Lodging and Others:** The trend is moving towards easing-up, the tourism and lodging industry should be gradually getting out of the lowest point in the future. In recent years, the quality of tourism has been emphasized, and the demand for high-end hotels has increased. The Company's hotels and lodges are located in elite locations or tourist hot spots, and it is expected to maintain the occupancy rate. The leases and premises can also provide stable incomes over the time.

#### B. Correlation within the industry

- **Construction:** Upstream is mainly the supply of raw materials for land and building materials. Sources of land mainly come from land purchase, release of state-owned land and cooperative construction, etc. In terms of building materials, due to the increase in the price of raw materials in recent years, the cost of various building materials has increased. It is necessary to maintain a balance between cost control and maintenance of quality, and to find new building materials and equipment to optimize the cost balance. Midstream is mainly the design and planning of engineers, architects, architecture contractors and construction contractors. Downstream is mainly self-sale or commissioned sales by professional marketing companies.
- **Hospitality, Lodging and Others:** Due to the characteristics of leasing and hospitality industries, it is mainly based on the service industry, and there is no obvious specific distinction between upstream and downstream industries.

#### C. Product Development Trends and Competition

- **Construction:** In recent years, real estate sales have been greatly affected by policies, supply and demand allocation, and economic prosperity. Following the demographic change, market needs and preferences are constantly changing, digital and green energy are getting more and more attention, and the trend of transformation to the next generation is becoming more and more obvious.
- **Hospitality, Lodging and Others:** Demand of domestic tourism has gradually recovered. With the rapid development of the hotel industry, the competition in the market is becoming fiercer. It is necessary to improve service quality and innovative business models to meet the challenges of the market.

### 5.1.3 Research and Development

The construction and hospitality industry are mature. The Company has not set a budgeted expenditure plan for technical expertise and engineering research and development. However, with the changes in the natural environment, industrial structure and social manpower supply, the Company keeps a keen observation at all times and seeks approaches to improve application

techniques.

In recent years, the number of domestic construction labor has decreased, the lack of manpower has been reported and the positions of technical workers have been vacant. The Company is committed to research and improvement of construction technology, and regularly sends our staff to learn the latest construction methods that can provide environmental protections. In terms of internal management, it makes full use of technological equipment to digitize and standardize the company's internal information transmission, improve management efficiency and reduce operating costs.

Besides, the Company actively promotes the "cloud service system", based on the original security management, combining food, clothing, housing, transportation and other life service functions, integrating overall resources to create smart homes with "quality carving, service upgrade, continuous innovation and good value for money".

### 5.1.4 Long-term and Short-term Development

#### A. Short-term Development:

- **Construction:** The main axis will be based on the development of transportation routes and new suburbs. The appropriate products will be planned according to the needs of the customers in the area.
- **Hospitality, Lodging and Others:** Integrate marketing channels, master fashion topics and popular trends, meet customers' needs in all aspects of catering, shopping and accommodation, and increase occupancy rates and profit margins.

#### B. Long-term Development:

- **Construction:** Lock in local residential and commercial needs, coordinate with regional development trends, continue asset activations, effective cost control and precise land purchase, launch high-quality and provide affordable products for a better living place to the public; at the same time, actively cultivate talents and prudently invest for shareholders to create maximum benefits.
- **Hospitality, Lodging and Others:** Continuously improve and advance the quality of software, hardware facilities and services, provide customers with customized and personalized products and services through flexible and diverse product packaging, while strengthening the cultivation of talents and the improvement of efficiency in order to continue to provide stable profits.

## 5.2 Market and Sales Overview

### 5.2.1 Market Analysis

#### A. Sales (Service) Region

Area	Commercial Building	Housing and Apartments		Note
Taipei	1. Neihu Financial Center 2. Prince Building  3. President International Tower	1. Prince Global Village 2. Shan Ger Li La 3. Prince International Village 4. Prince Sun Town 5. Prince Phoenix Town  6. Prince Tun Yuan 7. Prince Beauty Hall 8. Prince Mei Sui 9. Prince Vacation 10. Prince 101 11. Sansia International Village 12. Guishan Global Village 13. Prince Jin-Hua	14. Prince Sky Building 15. Prince College 16. Taipei Sinyi  17. Central Park 18. Prince Fu  19. Prince Fu II 20. Prince Fu III 21. Prince Yu Ding 22. Prince Hwa Wei 23. Prince W 24. Prince Shin Yi (Xin Chung)  25. Prince Pine Garden 26. Prince Yuan	Taipei Area: 1. Taipei City 2. New Taipei City 3. Taoyuan City 4. Hsinchu County
Taichung	Wanton Financial Center	1. Prince New Generation 2. Prince Manor 3. Ping Chun Fung Chia 4. Prince Sen Huo 5. Prince Yuan Ye 6. Lin Tung Boulevard 7. Prince Zuo Shin Ming A 8. Chan Chan Prince 9. Prince Culture 10. Prince Yo Life 11. Sung Guan Prince 12. Yun Yun Prince 13. Prince Ju	14. Prince Hui 15. Prince Dau 16. Prince Fu 17. Jing Yun Sian 18. The Cloud Century 19. Prince Hai Yan 20. Ching Fung Jing 21. Prince Xian Heng 22. The Cloudy Century SA 23. W Epoch 24. Prince Holiday Mansion 25. Prince Lucky Villa 26. Prosperous New World	Taichung Area: 1. Taichung City 2. Chunghwa City/County 3. Nantou City/County
Tainan	1. Prince Building 2. Prince Finance Building	1. Century Empire 2. Fashion Spring 3. Southern Taiwan Science Splendor 4. Prince Golden Brick 5. Century Splendor 6. Wen Yuan Hall 7. Fashion House 8. Prince Fu Di 9. Prince Wen Yuan 10. Prince New Culture 11. Golden Age 12. Culture Hall 13. Prince Fung Ho	14. Nan Ger Zi Li 15. Prince New Culture II 16. Prince Flower Bo II  17. Prince Mei Xue 18. Prince Flower Bo III 19. Prince Fung Yun Hui 20. Prince i-Cloud 21. Prince WIN 22. Prince Flower Bo Five 23. Prince Jum Fon Huei 24. World of Peak 25. Prince WIN2 Future	Tainan Area: 1. Tainan City 2. Yuling City/County 3. Chiayi City/County

Area	Commercial Building	Housing and Apartments		Note
Kaohsiung	None.	1. Prince Space 2. Prince Harvard 3. Prince Chun Di 4. Prince Dragon House 5. Prince In Mon Hu 6. Prince Chun Pin 7. Prince Chun Pin Haw Chia 8. Prince Dian Sha 9. Prince Sha Lui Di 10. Prince Seattle 11. Prince Tun-Yuan 12. Prince Dragon	13. Prince New York 57th Street 14. Prince Culture 15. Prince Yuan-Shan 16. Prince Town 17. Prince Shi Bo 18. Prince Shi Yun 19. Prince Hua Yang  20. Prince Bon 21. Prince Cloud C 22. Prince Cloud D 23. Prince Castle 24. Cozy Prince Mansion	Kaohsiung Area:  1. Kaohsiung City 2. Pingtung City/County

Area	Construction Projects	Hotel and Tourism	Note
Taipei	1. Taipei City Hall Bus Terminal Station BOT 2. Taoyuan Airport MRT station (partial) 3. Sun Bao Beitou project 4. Shin Chung Fu Do Hsin commercial and residential buildings 5. National Palace Museum (Partial) 6. Canon Business Center 7. Dun-Sun Art Village 8. Mechanical and Electrical Engineering Project in Shi San Yun 9. Taoyuang Da Tan Power Plant 10. Xindian Antai Road project 11. Taoyuang Zhinglu Section project 12. Nangang commercial building construction project 13. Beitou Shilin Science Park Project Phase II West Base 14. Sheng-feng Construction Corp. Mingde Section 15. Taoyuan Zheng-Guang Road Police Quarters Public Office Redevelopment Project 16. Jincheng Interchange Project.	1. Times Square International Hotel 2. Times Square International Stays 3. NTU Chang Hsing Dormitory 4. NTU Shui Yuan Dormitory 5. NTU Hsiu Chi House	Taipei Area: 1. Taipei City 2. New Taipei City 3. Taoyuan City 4. Hsinchu City/County
Taichung	1. National Taiwan Hospital, Yuling Branch 2. Shi Bin Express Highway (partial) 3. High Speed Railway Chunghwa Station project	1. Splendor Hotel Taichung (investment holding)	Taichung Area: 1. Taichung City 2. Chunghwa City/County



Area	Construction Projects	Hotel and Tourism	Note
Tainan	1. Wu Hu Lio Bridge project 2. Tainan Spinning Dream Mall Project 3. Shi Bin Express Highway (partial) 4. Jun-Jia Center 5. Tainan Spinning Square project 6. Tianan Express Highway 7. Tianan Spinning geological survey 8. Special Trade 5D collective housing 9. Bei-An Rezoning (Tainan City Government + Taipower) 10. Xinshi Logistics Park (Uni-President Express Corp.) 11. Civil engineering and electromechanical engineering for Ta-Chiao project	1. NCKU Prince House 2. Zenda Suites	Tainan Area: 1. Tainan City 2. Yuling City/County 3. Chiayi City/County
Kaohsiung	1. Kaohsiung MRT (partial) 2. Budda Memorial Center 3. Chia Chao Station 4. Hun Shan Shin Shin Section Project 5. Landscape project of Chen Jin Lo	1. Howard Beach Resort Kenting (investment holdings)	Kaohsiung Area: 1. Kaohsiung City 2. Pitung City/County

## B. Market Share

- **Construction:** As there is no complete statistical data related to housing sales in Taiwan over the years, it is impossible to calculate the current annual sales volume of the Company in the market share.
- **Hospitality, Lodging and Others:** Due to the characteristics of the premises leasing and lodging industry, there is no reference for effective market share calculation.

## C. Market Supply and Demand and Future Growth

Based on the analysis of the future market trend in terms of supply, demand and growth.

### 1. Supply

- **Construction:** Affected by government policies and increased construction costs in recent years, new housing proposals have been relatively conservative, and the pressure to sell surplus housing in various regions has emerged, making the market supply flatten. However, rigid demand still exists, and the overall housing market is stabilizing. As the public's demand for housing upgrade, the space in metropolitan areas is limited. Our future products will focus on the effective use of land and product differentiation, and improve the quality of living to meet the needs of different classes.
- **Hospitality, Lodging and Others:** Affected by the pandemic, the tourism and accommodation industry has been hit hard, but it also provides an opportunity for the hotel industry to restructure its quality. In recent years, the concept of exquisite tourism has risen, and hotels that provide innovative experiences and value-added services have entered the market to catch up with the post-epidemic tourism trend. International hotel chains and local brands should drive a wave of supply growth.

### 2. Demand

- **Construction:** The demand side of the real estate market can be divided into two main markets as following:

- a. Basic demand market: This market is for self-occupation and self-use, which is due to population increase, housing exchange or new purchase of housing. This type is the real estate demand, which is less affected by the fluctuation of the economy. It is also the target customer of the Company.
- b. Investment demand market: There are two types of such market demand. The first type is investment-based market demand, which regards real estate as an investment tool. When there is room for profit, they purchase as a medium and long-term investment and enjoy rental income or value-added income; the second type is the speculation-based market demand. This kind of demand is usually a false signal and often occurs during the real estate boom.

- **Hospitality, Lodging and Others:** With the easing-up of the pandemic, there has been a wave of retaliatory tourists internationally, and the citizens are increasingly paying attention to the quality of leisure, so the tourism boom is expected to continue. In addition to launching various revitalization plans, the government is also planning to sprint into the international market, striving to develop the tourism market and strengthening publicity and marketing. The source of tourists is expected to continue to grow in the future.

### 3. Growth

- **Construction:** With the continuous development of the economy, the government will continue to invest in various infrastructures, and the construction industry is expected to benefit and continue to grow. In terms of the residential market, high-tech buildings, green buildings and sustainable development have become the trend of the global construction industry. While facing new challenges, they also bring more business opportunities and future development. On the basis of the good foundation, the Company will meet market demand and improve competitiveness through various innovations and transformations.
- **Hospitality, Lodging and Others:** The current emerging tourism market type is more focused on the improvement of software and hardware, product differentiation, and marketing topics. In particular, the millennial generation has become the main customer group of the hotel industry, and their strong consumption power will become a strong driving force for the tourism industry. The future development trend is promising, and the tourism market will have more room for growth.

## D. Competitiveness, Favorable and Unfavorable Factors and Countermeasure

### 1. Competitiveness

- **Construction:** Since the Company founded in 1973, under the leadership of the honorary chairman Mr. Wu Hsui-Chi and the previous chairman, the Company adheres to the spirit of "Three Good and One Fair"-- "Good location, Good design, Good construction and Fair price". Followed by the abundant resources from the Tainan-backed affiliated companies, the Company designs and constructs international-grade architectural products, gains domestically excellent brand image, and therefore, provides the best living environment to the public
- **Hospitality, Lodging and Others:** The hotels in the Company's subsidiaries are located in the essence of the metropolitan area or well-known tourist hotspots. They also cooperate with world-renowned chains to provide customers with quality service and top enjoyment.

### 2. Favorable Factors

- **Construction:**

- As the limited supply of land in the metropolitan areas, the market price will remain stable.
- The rezoning of the metropolitan areas continues to expand. The transportation construction and route extension such as high-speed railways, MRT systems and express highways drive the regional growth.
- The boom in tourism in recent years has continued, followed by the micro-entrepreneurship trend that has spurred the young generation from Taipei metropolitan area to seek opportunities in the South, indirectly raising the price of the Central Taiwan and Southern Taiwan housing market.
- With the rise of the awareness of quality of life in recent years, the requirements for the quality of living have increased, and the willingness to change houses has become more generalized to support the market demand for house purchase and house exchange.

- **Hospitality, Lodging and Others:** The brand positioning and market segmentation for W Hotel Taipei and Hotel Resonance Taipei are clear. The management team is excellent and experienced. It has a strong magnetic effect on the top of the consumer group pyramid

3. Unfavorable Factors

- **Construction:**

- The implementation of the trust-controlled account system and the increase in interest rates brought by inflation under the influence of the epidemic and war will increase the capital cost and holding risk of the companies in construction industry.
- The government has promoted various housing development measures, land prices have hit new highs, operating risks and costs have risen, and pressure has emerged in emerging towns in the north to eliminate existing housing, which has a negative impact on builders and manufacturers.
- The international situation is turbulent, the price of raw materials rises, resulting in increased costs and the price of essential products continues to rise, and the stagnation of inflation is emerging.

- **Hospitality, Lodging and Others:** Although the pandemic has been easing up, the opportunities for citizens to travel overseas have greatly increased, and foreign tourists are not able to enter immediately, resulting in retaliatory tourism bonuses that may not be fully enjoyed. Hotel industry has become stronger after surviving the pandemic, and new hotels have entered the market, and therefore, the pressure of competition in the future will increase accordingly.

4. Countermeasure

- **Construction:** The Company deeply believes in the business philosophy-- "We shape our buildings; thereafter they shape us." quoted by Winston Churchill. The Company insists on our products for sales with a good location, excellent design, fine construction, fair prices, and good after-sales service, and we hope it will continue to attract new home buyers and potential home-upgrade customers.
- **Hospitality, Lodging and Others:** Short-term adjustment of the operating pattern in response to the impact of the epidemic. On the long-term basis, in the internal aspect, grasp the existing advantages foundation, continuously improve the hardware and software facilities, strengthen personnel education and improve administrative efficiency and service quality, in order to keep the loyalty of the customer group; in the external aspect, integrate marketing channels, introduce new international brands, continue to create topics in the industry and attract consumers' attention.

## 5.2.2 The Production Process of Major Products

### A. Use of Major Products

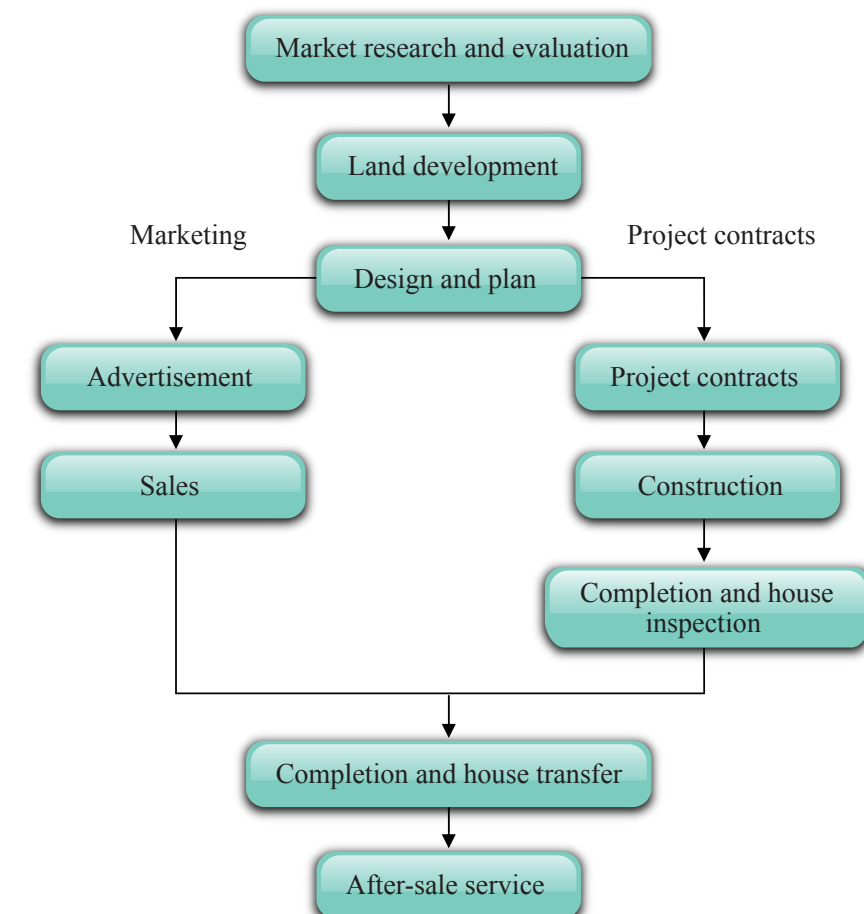
- **Construction:**

- Construction projects: planning, designing and contracting important public projects or private construction projects domestically or internationally, utility engineering, design and construction, etc.
- Building sales: sub-divided into residential condominium, high-end residential buildings, commercial condominium stores, building stores and high-end pure offices. The residential property is designed to provide a comfortable living space for the owners, and the commercial property is planned to provide a good business environment to make full use of its functions. We will actively evaluate urban renewal projects, urban dangerous and old building reconstruction projects, comprehensive large-scale development projects, etc., and continue to develop towards comprehensive developers.

- **Hospitality, Lodging and Others:** Including rental of commercial building, hotel accommodation, hotel shopping mall operation, BOT student dormitory/hall operation and investment income, etc.

### B. Production Process of Major Products

- **Construction:** The construction plans and engineering designs is on a case-by-case basis according to the contract, so hereby described as construction sales.



- **Hospitality, Lodging and Others:** Mainly non-physical products, so there is no production process description.

### 5.2.3 Supply Status of Main Raw Materials

**- Construction:**

1. Location selection: This stage is based on the source of land information, after general investigation, preliminary planning and profitability assessment. It would be the basic production materials for the Company -- construction sites.
2. Planning and design: This stage is to conduct a comprehensive review on geology, laws and regulations, locate products and establish a business plan.
3. Sales: After calculating the cost of products and analyzing the market conditions, determine the selling prices, advertising and promotional strategies.
4. Engineering construction: After obtaining the government building permit, proceed with engineering construction according to the approved design drawings.
5. Preservation and registration: After the application for the re-measurement of the area with the license issuance, the preservation and registration will be processed to ensure the protection of property rights.
6. House transfer: After the construction has been completed and the government has approved the building, the property and the building will be transferred to the customer after inspection by the customer.
7. After-sales service: At this stage, the Company will set up a service center for buildings that have been transferred to customers to carry out after-sales service such as building maintenance, repair, community safety and cleaning

**- Hospitality, Lodging and Others:** Mainly non-physical products, so there is no supply status of main raw materials description.

### 5.2.4 The Major Suppliers and Customers

#### A. List of Suppliers That Accounted for More Than 10% of the Total Purchases in the Last Two Years

Unit: NT\$ in thousand

2022				2023				2024 Q1			
Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
Evergreen Steel Corp.	412,877	10.23	None	China Steel Structure Co., Ltd.	763,905	14.05	None	Te, Wu	181,022	20.33	None
China Steel Structure Co., Ltd.	266,444	6.60	None	Evergreen Steel Corp.	423,993	7.80	None	Bao Chong Metal Co., Ltd	113,670	12.77	None
Hai Kwang Enterprise Corp.	207,301	5.14	None	Universal Cement Corp.	240,794	4.43	None	Marktech International Corp.	99,869	11.22	None
Shyong-Jinn Steel Structure Co., Ltd	139,988	3.47	None	Chung Ding Enterprise Co., Ltd.	144,638	2.66	None	Lead-Fu Industrials Corp.	39,165	4.40	None
Hang Fu Engineering Co., Ltd.	91,911	2.28	None	Hai Kwang Enterprise Corp.	136,412	2.51	None	Chang-Yuan Engineering Co., Ltd.	37,661	4.23	None
Han-Zhen Electromechanical Co., Ltd	85,763	2.13	None	Bao Hung Waterproof & Heatproof Material Inc.	113,408	2.09	None	Hai Kwang Enterprise Corp.	36,275	4.07	None
Pai Chung Construction Co., Ltd	75,389	1.87	None	Chang-Yuan Engineering Co., Ltd.	105,528	1.94	None	Super Kuma International Co., Ltd.	33,457	3.76	None
China Unifolds The Environmental Protection Co., Ltd.	63,815	1.58	None	Hang Fu Engineering Co., Ltd.	102,464	1.88	None	Kai Yih Steel Building Products Co.	31,257	3.51	None
Universal Cement Corp.	55,510	1.38	None	Kai Yih Steel Building Products Co.	90,903	1.67	None	Universal Cement Corp.	27,916	3.14	None
China Wire & Cable Co. Ltd.	48,724	1.21	None	Bao Chong Metal Co., Ltd	90,086	1.66	None	Sheng-Yueh Engineering Co., Ltd.	26,276	2.95	None
Others	2,586,354	64.11		Others	3,226,019	59.31		Others	263,847	29.62	
Net Purchase	4,034,076	100.00		Net Purchase	5,438,150	100.00		Net Purchase	890,415	100.00	

Note: For the list the names of customers with more than 10% of the total purchases in the most recent two years and their purchases amounts and proportions, those who cannot be disclosed the name of the customer or the counterparty as an individual and not a related party due to the contractual agreement can be codenamed.



## B. List of Suppliers Who Has Accounted for More Than 10% of Total Sales in the Last Two Years

Unit: NT\$ in thousand

2022					2023					2024 Q1				
Company Name (Note 1)	Amount	%	Relation with Issuer		Company Name (Note 1)	Amount	%	Relation with Issuer		Company Name (Note 1)	Amount	%	Relation with Issuer	
Uni-President Express Corp	1,013,850	7.94	Note 2		Uni-President Express Corp	2,557,270	30.14	Note 2		Uni-President Express Corp	265,378	15.54	None 2	
New Construction Office, Public Work Department, Taipei City Government	481,995	3.77	None		Bureau of Land Administration, Tainan City Government & Taipower South Branch	555,188	6.54	None		Chunghua Telecom Co., Ltd	112,347	6.58	None	
Chunghua Telecom Co., Ltd	373,059	2.92	None		Chunghua Telecom Co., Ltd	447,683	5.28	None		Office of Housing Development, Taoyuan	95,762	5.61	None	
Office of Housing Development, Taoyuan	351,133	2.75	None		Office of Housing Development, Taoyuan	237,686	2.80	None		Bureau of Land Administration, Tainan City Government & Taipower South Branch	86,709	5.08	None	
Bureau of Land Administration, Tainan City Government & Taipower South Branch	298,965	2.34	None		New Construction Office, Public Work Department, Taipei City Government	217,756	2.57	None		Yu, Wang	60,524	3.54	None	
Han, Yan	256,286	2.01	None		Pin, Weng	107,957	1.27	None		New Construction Office, Public Work Department, Taipei City Government	59,933	3.51	None	
Construction and Planning Agency Ministry of the Interior	202,840	1.59	None		Tzu, Shih	91,750	1.08	None		Yuan, Lin	34,333	2.01	None	
Tai-Kung Development & Construction Co., Ltd.	161,845	1.27	None		Tai-Kung Development & Construction Co., Ltd.	71,220	0.84	None		Uni-President Cold-Chain Corp.	6,053	0.35	Note 3	
Qian, Shi	116,618	0.91	None		Construction and Planning Agency Ministry of the Interior	40,097	0.47	None		Freeway Bureau, Ministry of Transportation and Communications	5,439	0.32	None	
Xin, Zhang	46,701	0.37	None		Fang, Yu	28,798	0.34	None		Retail Support International Corp.	72	0.00	None	
Others	9,465,486	74.13			Others	4,129,824	48.67			Others	981,142	57.46		
Net Sales	12,768,778	100.00			Net Sales	8,485,229	100.00			Net Sales	1,707,692	100.00		

Note 1: For the list the names of suppliers with more than 10% of the total sales in the most recent two years and their sales amounts and proportions, those who cannot be disclosed the name of the supplier or the counterparty as an individual and not a related party due to the contractual agreement can be codenamed.

Note 2: Uni-President Express Corp. has been a substantial related party of the Company since August 1, 2021.

Note 3: Uni-President Cold-Chain Corp. has been a substantial related party of the Company since December 31, 2023.

### 5.2.5 Production over the Last Two Years

Unit ; Pin; NT\$ thousand

Output Major Products	Year	2022		2023	
		Quantity	Output Value	Quantity	Output Value
House		0	0	0	0
Total		0	0	0	0

Note: Due to the characteristics of the construction industry and the hospitality industry, there is no production value for analysis, so the production value data is based on Prince Housing & Development Corp.

### 5.2.6 Sales over the Last Two Years

Unit ; Pin; NT\$ thousand

Sales Major Products	Year	2022		2023	
		Local Sales		Local Sales	
		Quantity	Value	Quantity	Value
House		25,488.25	5,959,522	1,007.67	332,173
Total		25,488.25	5,959,522	1,007.67	332,173

Note: Due to the characteristics of the construction industry and the hospitality industry, there is no sales volume for analysis, so the sales volume data is based on Prince Housing & Development Corp.

### 5.3 Overview of Human Resource

As of Mar. 31, 2024

Year		2022	2023	2024 Q1
Number of Employees	Employees	1,239	816	794
	Technician	346	482	484
	Others	198	201	193
	Total	1,783	1499	1471
Average Age		42.10	41.71	41.80
Average Years of Service		6.43	39.50	34.90
Education	Ph.D.	0%	0%	0%
	Masters	6%	7%	8%
	Bachelor's Degree	60%	63%	62%
	Senior High School	26%	24%	24%
	Below Senior High School	8%	6%	6%

Note: The decrease in personnel in 2023 was caused by the deployment of personnel on site according to the changes in Prince Security & Guard Co., Ltd.

## 5.4 Environmental Protection Expenditure Information

### A. Environmental Protection Measures

Although the construction industry does not resemble manufacturing industry which causes noise and air pollution by discharging exhaust gas and waste water, during the construction period, it is likely to have pollution to the environment caused by wind sand, muddy roads, and dumping of waste near the construction site.

To reduce the harm to the environment, the contractors are required to submit a site management plan before construction starts to ensure that air, noise, water pollution and waste pollution can be effectively prevented. They are also required to follow relevant environmental protection laws and regulations, and inspect during the construction period. In terms of the surroundings, the greening on the construction site fences can beautify the city appearance and soften the construction site perception, and it can also help reduce the heat and the dust on the road. Additionally, building solar panels and setting up rainwater recycling equipment can reduce energy consumption and save resources to achieve environmental protection.

The Company sent our employees to Japan to observe the famous construction company Da-Lin Group. Besides learning its construction technology, we learnt more about its advanced site and environmental management, so the Company can avoid causing similar environmental harm during the construction period in the coming future. We aim to reduce the cause of inconvenience to our neighbors near the construction site and achieve environmental protection at the same time.

Hotel management and leasing of premises belong to service industry and less concerned about environmental protection.

### B. Environmental Expenditures for the Current Year And Up to the Date of Publication of the Annual Report

The Company cares about the possible impact of each construction project on the environment, so it actively introduces environmental protection measures for construction projects and maintains the construction site environment. In 2023, there was no new construction site but only the basic maintenance for the removal and transportation of domestic garbage, which cost about NT\$1,992,000. There was no major violation of environmental protection regulations or any fine was imposed in 2023.

## 5.5 Labor Relation

### A. Labor Agreement

Since the Company was founded in 1973, the business has flourished and advanced to the top in the construction industry. In addition to its forward-looking and enlightened leadership, it also has excellent employees who are sincere, trustworthy, honest and practical. The staffs are willing to work diligently, because the Company has the following excellent measures:

- **Comprehensive management system:** For example, salary adjustment, promotion opportunities, employee benefits, rewards and punishments, vacations, pensions, retirement benefits, etc. are all considered to be superior to the Labor Standards Act. We determine the salary level and provide salary packages with market competitive advantages, based on the employee's academic background, professional knowledge and expertise, technology, seniority experience and personal performance.

The Company and our subsidiaries make a monthly payment of 6% of the salary to the personal pension accounts, according to Labor Pension Fund Regulations. The withdrawn retirement payment is made by either one-time payment or continuous monthly payment. The Company's 2023 amount of annual retirement fund made to personal pension accounts is NT\$56,151 thousand dollar, and the withdrawn pension payment is NT\$2,797 thousand dollar.

- **Welfare measures:** The Employee Welfare Committee provides various welfare measures such as newborn birth subsidies and children's education subsidies to help create a friendly parenting environment. We also provide scholarships for employees' children to encourage employees to balance work and family education; as well as accident insurance for construction site personnel, etc. We properly take care of our employees and make them worry-free.

In the spirit of educating and cultivating employees, the Company expects our employees to thrive with us. We do not treat our employees differently because of gender or age. We conduct an evaluation every six months and each employee's direct supervisor evaluates the overall performance including his/her attendance and work performance. We wish for the best of our employees' performance and the potentials of future development.

### B. List the Losses Incurred Due to Labor Disputes in the Most Recent Year and Up to the Date of Publication of the Annual Report, and Disclose the Current and Future Estimated Amounts and Corresponding Measures. If It is Impossible to Reasonably Estimate, It Should Explain the Fact that It Cannot Be Reasonably Estimated

None.

## 5.6 Information Security Management

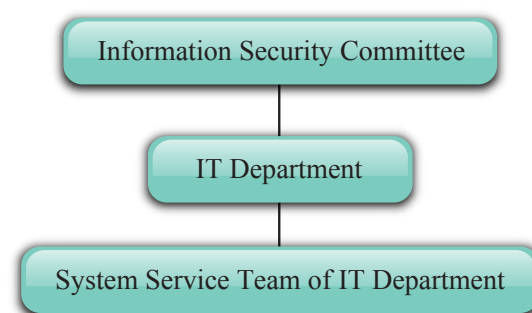
### A. Information Security Risk Management Framework

The management structure of the information security unit (divided into three levels from top to bottom according to the scope of its powers and responsibilities):

1. Information Security Committee: The chairman is the Chief Information Security Officer, and the heads of each department are members of the committee. A number of Deputy Chief Security Officers may be appointed.
  - a. The scope of information security under the Information Security Committee is the widest, including the entire scope covered by ISO27001 or CNS27001 certification (such as information security incidents that are not within the scope of the IT Department's responsibility, such as PC

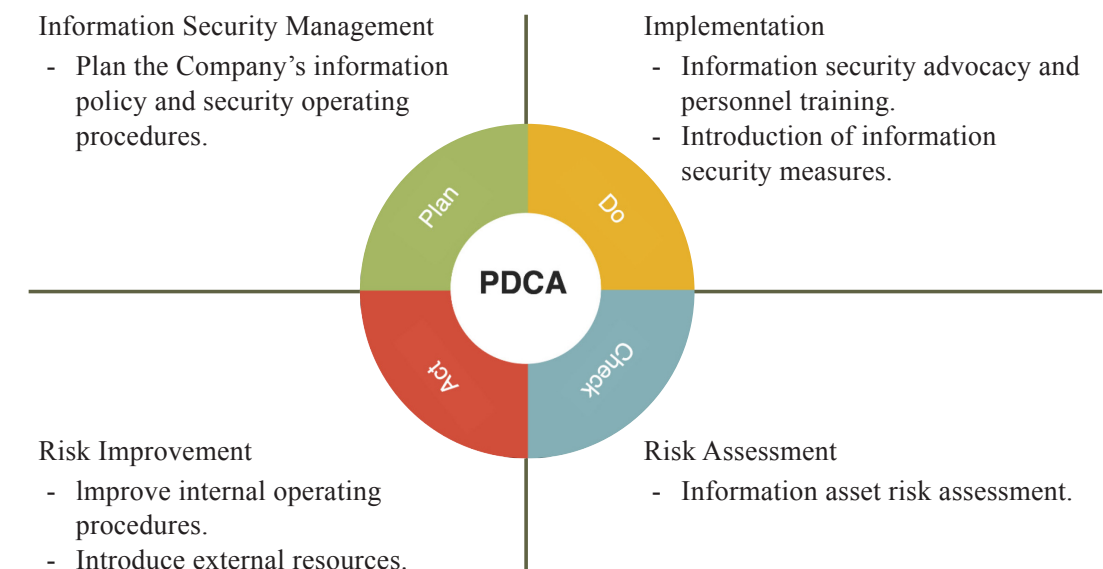
theft due to security access control failure).

- b. The IT Department and the System Service Team of the IT Department are the main executive body for the operation of the Information Security Committee.
  - c. Departments other than the IT Department are also important departments to implement the Company's information security policy according to their responsibilities. Therefore, it is necessary to set up the Information Security Committee as the highest authority and responsible body for the Company's information security.
2. IT Department: One minister is set, and different teams are set up underneath, such as system service team, engineering team, business team, accounting team, human resources team, general expenditure and purchase, sales and storage team, etc. The minister is responsible for information security affairs within the scope of the IT Department's responsibility (Internal Control Measures of the IT Department).
  3. System Service Team of IT Department: set up one team leader and several team members.
    - a. This team is responsible for the Company's network infrastructure (including external networks, firewalls, network switches and other facilities), system and database server management (including backup planning and backup), various computers, networks, and information equipment Maintenance and authority management, etc. The main areas involved in computerized information system processing operations (the existing internal control measures of the IT Department) include: file and equipment security control, hardware and system software purchase, use and maintenance control, system recovery plan system and testing procedures Control, the control of information security inspection.
    - b. Propagating anti-virus, anti-hacking and information security concepts is one of the main responsibilities of this team.



## B. Information Security Policies and Management Measures

The Company's information security operation mode adopts PDCA (Plan-Do-Check-Act) management method to ensure the achievement of goals and continuous improvement.



Before the end of each year, the system service team of the IT Department proposes an information security plan (including regular protection measures and improvement plans) for the next year, which is reviewed and approved by the IT Department, the Information Security Committee and the President. The implementation and progress of the information security plan are reported to the minister of the IT Department, the Information Security Committee and the President every quarter in the next year.

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the audit division incorporates "control of information security inspection" into the annual audit plan, and conducts audit operations according to the schedule. If any deficiencies/risks are found, the inspected units and cooperating units are asked to conduct a review, propose specific improvement plans and schedules, and regularly track the improvement progress to implement the Company's information security policy.

The Company's information security management mechanism includes the following three aspects:

1. Institutional regulations: The Company internally formulates relevant information security regulations and systems to regulate the information security behavior of the Company's personnel. The relevant systems are regularly reviewed every year to see if they comply with laws and regulations and changes in the operating environment, and make timely adjustments as needed.
2. Hardware set-up: In order to prevent various external information security threats, the Company not only adopts a multi-layer network structure design, but also sets up various information security protection systems to enhance the security of the overall information environment.
3. Personnel training: To improve the information security knowledge and professional skills of internal personnel, the Company offers information security training courses every six months. All colleagues should take the above-mentioned courses at least once a year. For those who are unable to attend in the physical courses due to work, the Company also has an online learning (E-Learning) course. If colleagues have not completed the information security course of the year through the above-mentioned physical or online courses, the IT Department and the Administrative Department will list and track it as an inspection item for the annual performance appraisal.



### C. Specific management plan and resources invested in information security management

In 2023, the Company has invested 300 people in information security training, and the System Service Team of IT Department has invested 64 people-hours in information security improvement and maintenance.

The Company's current specific implementation measures related to information security are as follows:

Item	Specific management methods and resources invested
Firewall Protection	<ul style="list-style-type: none"> <li>Firewall setting connection.</li> <li>Additional applications are required for special connection needs.</li> <li>Monitor, analyze and report firewall data.</li> </ul>
User Internet Control Mechanism	<ul style="list-style-type: none"> <li>Use automatic website protection system to control users' online behavior.</li> <li>Automatically filter users who may link to websites with Trojan horse viruses, ransomware viruses or malicious programs when surfing the Internet.</li> </ul>
Antivirus Software	<ul style="list-style-type: none"> <li>Use a variety of anti-virus software, and automatically update the virus pattern to reduce the chance of virus infection.</li> </ul>
Operating System Update	<ul style="list-style-type: none"> <li>The operating system is automatically updated. If it is not updated for some reason, the IT Department will assist.</li> </ul>
Email Security Control	<ul style="list-style-type: none"> <li>Threat protection with automatic email scanning, prevent unsafe attachment files, phishing emails, spam emails, and expand the protection scope against malicious links before users receive emails.</li> <li>After the PC receives the email, the antivirus software will also scan for unsafe attachment files.</li> </ul>
Website Protection Mechanism	<ul style="list-style-type: none"> <li>The website has a firewall device to block external network attacks.</li> </ul>
Data Backup Mechanism	<ul style="list-style-type: none"> <li>Daily full backup and hourly differential backup are set for important information system databases.</li> <li>Perform data recovery drills on a regular basis.</li> </ul>
Offsite storage	<ul style="list-style-type: none"> <li>The server and various information system backup files are stored separately in the branch office.</li> </ul>
Important Files Upload Server	<ul style="list-style-type: none"> <li>Important files of various departments in the company are uploaded to the server for storage, and are backed up and saved by the IT Department.</li> </ul>
Information Center Inspection Record Form	<ul style="list-style-type: none"> <li>The information center inspection record form records the temperature and humidity of the computer room, data backup, anti-virus software update, network traffic and other records.</li> </ul>
Information Security Joint Defense	<ul style="list-style-type: none"> <li>Apply to join the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), as a source of information security information sharing and information security publicity activities.</li> </ul>

### D. List the Losses, Possible Impacts and Countermeasures of Major Information Security Incidents in the Most Recent Year and Up to the Date of Publication of the Annual Report. If It Is Impossible to Estimate Reasonably, the Fact That It Cannot Be Reasonably Estimated Shall Be Stated

None.

### 5.7 Important Contracts

Contract Type	Parties	Contract Date	Contents	Restrictions
BOT project	The Company & National Taiwan University (NTU)	Mar. 17, 2005	NTU shall be responsible for obtaining the ownership or the rights of using the land in this plan and handing over to the Company for use. The Company shall complete the construction within 3 years from the date of establishment of the rights of using the land, and operate for 44 years. The Company can charge students for dormitory rent and other facility fees, and must transfer assets to NTU when the contract expires.	During the construction period, the ratio of total construction funds invested in the project with its own funds shall not be less than 30%. During the operation period, the proportion of equity in total assets should not be less than 25%, and the proportion of current assets in current liabilities should not be less than 100%. The rights acquired in accordance with the contract shall not be transferred, leased, set a burden, or be the object of civil execution, except in accordance with the contract and with the consent of NTU.
BOT project	The Company & National Cheng Kung University (NCKU)	May 10, 2005	NCKU should be responsible for obtaining the ownership or the rights of using the land in this plan and handing over to the Company for use. The Company shall obtain a license for use within 3 years after signing the contract. The student dormitory and scooter spaces in this contract shall be in operation for 35 years from the start of operation; the rest shall be in operation for 50 years from the date of commencement of the project. The Company can charge students for dormitory rent and other facility fees, and must transfer assets to NCKU when the contract expires.	The rights acquired in accordance with the contract shall not be transferred, leased, set a burden, or be the object of civil execution except for those stipulated in the contract and approved by NCKU.
Syndicated Loan	Taichung City Government & Subsidiary Prince Chong-De Industrial Corp	Dec. 15, 2023	The period of this contract shall be calculated from the date of signing, including the "construction period" (within 5 years from the date of signing of this contract) and the "operation period" (45 years from the date of commencement of operation, until the expiration or termination of the license period date), a total of 50 years. Taichung City Government provides the land rights of land No. 1701, Renmei Section, Beitun District, Taichung City to Prince Chong-De Industrial Corp. for the purpose of executing this contract.	Prince Chong-De Industrial Corp shall provide a performance bond of NT\$30 million before the scheduled signing date as a guarantee for the performance of all contractual obligations during the contract period of this case. If Prince Chong-De Industrial Corp. has no breach of contract or default during the contract period, it shall apply to Taichung City Government to release part of the performance bond obligation according to the time stipulated in the contract, and after the deposit amount is settled, the remaining performance bond will be transferred to Prince Chong-De Industrial Corp. without interest.  When this contract ends, Prince Chong-De Industrial Corp. shall transfer all existing operating assets owned by Prince Chong-De Industrial Corp. and continue operating the project. When the contract period expires, Prince Chong-De Industrial Corp. shall remove all burdens and other legal restrictions on the object, and transfer the object to Taichung City Government free of charge before the expiration of the contract period. Both parties shall complete the transfer when the term of this contract expires.

Contract Type	Parties	Contract Date	Contents	Restrictions
Secured Loan	The Company & 7 Financial Institutions (including Mega International Commercial Bank)	Jan. 4, 2006	The total amount of this syndicated loan is NT\$2.16 billion. This syndicated loan includes long-term (secured) loan amount and guarantee receivable (secured) amount.	Before the full amount of debts are repaid, the current ratio, debt ratio and interest protection multiples should be maintained at a certain level and checked at least once a year.
Syndicated Loan	The Splendor Hospitality International Co., Ltd. (Subsidiary of The Company) & 7 Financial Institutions (including Taiwan Cooperative Bank and Bank SinoPac)	Oct. 3, 2018	The total amount of this syndicated loan is NT\$3.3 billion and signed in two separated contracts with NT\$1.65 billion each. Prince Housing & Development Corp. and China Metal Product Co., Ltd. are the guarantors in this secured loan.	Before the full amount of debts are repaid, tangible rights should not be negative. The current ratio, debt ratio, tangible rights and interest protection multiples of Prince Housing & Development Corp. and China Metal Product Co., Ltd. should be maintained at a certain level.

# Chapter VI

Annual Report 2023



## Financial Information



## VI. Financial Information

### 6.1 Financial Summary in the Last Five Years

#### 6.1.1 Condensed Balance Sheets and Statements of Comprehensive Income-IFRS

##### Condensed Consolidated Balance Sheet

Unit: NT\$ thousand

Year Item		Five-Year Financial Summary					As of Mar. 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		29,471,850	25,420,074	23,550,947	23,027,702	21,418,747	21,453,182
Property, Plant and Equipment (Note 2)		5,995,879	5,835,171	5,658,708	5,514,126	5,466,796	5,492,397
Intangible Assets		2,056,927	1,996,776	1,936,487	1,874,174	1,812,715	1,797,221
Other Assets (Note 2)		17,212,847	18,913,393	19,156,234	17,537,812	17,552,594	17,125,677
Total Assets		54,737,503	52,165,414	50,302,376	47,953,814	46,250,852	45,868,477
Current Liabilities	Before Distribution	11,086,884	6,474,965	8,933,489	10,642,643	4,415,529	4,292,406
	After Distribution	11,898,547	7,124,295	9,745,152	11,454,306	N/A (Note 3)	N/A (Note 3)
Non-current Liabilities		19,505,807	21,265,087	15,601,640	11,326,824	15,858,791	15,708,627
Total Liabilities	Before Distribution	30,592,691	27,740,052	24,535,129	21,969,467	20,274,320	20,001,033
	After Distribution	31,404,354	28,389,382	25,346,792	22,781,130	N/A (Note 3)	N/A (Note 3)
Equity attributed to owners of the parent		23,856,644	24,202,236	25,619,749	25,719,760	25,722,046	25,617,785
Share Capital		16,233,261	16,233,261	16,233,261	16,233,261	16,233,261	16,233,261
Capital Surplus		2,260,513	2,260,513	2,260,513	2,260,513	2,260,513	2,260,513
Retained Earnings	Before Distribution	4,487,383	4,467,208	5,361,944	6,042,704	5,817,922	5,945,211
	After Distribution	3,675,720	3,817,878	4,550,281	5,231,041	N/A (Note 3)	N/A (Note 3)
Other Equity		876,490	1,242,257	1,765,034	1,184,285	1,411,353	1,179,803
Treasure Stock		(1,003)	(1,003)	(1,003)	(1,003)	(1,003)	(1,003)
Non-Controlling Interest		288,168	223,126	147,498	264,587	254,486	249,659
Total Equity	Before Distribution	24,144,812	24,425,362	25,767,247	25,984,347	25,976,532	25,867,444
	After Distribution	23,333,149	23,776,032	24,955,584	25,172,684	N/A (Note 3)	N/A (Note 3)

Note 1: As of the date of publication of the annual report, the Company's consolidated financial report for the first quarter of 2024 was reviewed by CPAs.

Note 2: The Company did not have asset revaluation and appreciation from 2019 to 2023 and the first quarter of 2024.

Note 3: As of May 15, 2024, the distribution plan for 2023 earnings has not been approved by the Shareholders' Meeting.

##### Condensed Consolidated Statement of Comprehensive Income

Unit: NT\$ thousand; except for EPS in NT\$

Year Item	Five-Year Financial Summary					As of Mar. 31, 2024 (Note)
	2019	2020	2021	2022	2023	
Operating Revenue	12,199,437	11,963,426	12,511,535	12,768,778	8,485,229	1,707,692
Gross Profit	3,062,454	2,217,024	2,916,351	3,941,870	2,503,525	622,766
Operating Income	790,096	171,708	1,005,526	1,972,598	627,617	174,740
Non-operating Income or Expenses	271,972	617,704	544,733	(404,198)	97,948	(24,383)
Profit Before Tax	1,062,068	789,412	1,550,259	1,568,400	725,565	150,357
Net Profiting from Continuing Operation	938,750	729,513	1,459,444	1,442,156	584,987	122,462
Loss from Discontinuing Operation	0	0	0	0	0	0
Net Profit or Loss	938,750	729,513	1,459,444	1,442,156	584,987	122,462
Other Comprehensive Income (after tax)	84,423	363,392	531,771	(563,393)	221,332	(231,550)
Total Comprehensive Income	1,023,173	1,092,905	1,991,215	878,763	806,319	(109,088)
Net Profit Attributed to Prince Shareholders	952,767	793,882	1,535,087	1,475,037	592,617	127,289
Net Profit attributed to Non-Controlling Interest	(14,017)	(64,369)	(75,643)	(32,881)	(7,630)	(4,827)
Comprehensive Income Attributed to Prince Shareholders	1,037,190	1,157,255	2,066,843	911,674	813,949	(104,261)
Comprehensive Income Attributed to Non-Controlling Interest	(14,017)	(64,350)	(75,628)	(32,911)	(7,630)	(4,827)
Earnings per Share (EPS) (NT\$)	0.59	0.49	0.95	0.91	0.37	0.08

Note: As of the date of publication of the annual report, the Company's consolidated financial report for the first quarter of 2024 was reviewed by CPAs.



**Condensed Non-Consolidated Balance Sheet**

Unit: NT\$ thousand

Year Item		Five-Year Financial Summary					As of Mar. 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		24,599,273	21,474,548	19,152,884	17,207,469	15,871,169	N/A
Property, Plant and Equipment (Note 2)		484,710	481,803	469,356	471,285	467,700	
Intangible Assets		2,055,428	1,994,175	1,932,922	1,871,669	1,810,416	
Other Assets (Note 2)		14,959,557	14,313,056	14,866,463	15,144,984	15,388,647	
Total Assets		42,098,968	38,263,582	36,421,625	34,695,407	33,537,932	
Current Liabilities	Before Distribution	8,657,351	4,161,944	6,051,886	5,136,405	2,074,598	
	After Distribution	9,469,014	4,811,274	6,863,549	5,948,068	N/A (Note 3)	
Non-current Liabilities		9,584,973	9,899,402	4,749,990	3,839,242	5,741,288	
Total Liabilities	Before Distribution	18,242,324	14,061,346	10,801,876	8,975,647	7,815,886	
	After Distribution	19,053,987	14,710,676	11,613,539	9,787,310	N/A (Note 3)	
Share Capital		16,233,261	16,233,261	16,233,261	16,233,261	16,233,261	
Capital Surplus		2,260,513	2,260,513	2,260,513	2,260,513	2,260,513	
Retained Earnings	Before Distribution	4,487,383	4,467,208	5,361,944	6,042,704	5,817,922	
	After Distribution	3,675,720	3,817,878	4,550,281	5,231,041	N/A (Note 3)	
Other Equity		876,490	1,242,257	1,765,034	1,184,285	1,411,353	
Treasure Stock		(1,003)	(1,003)	(1,003)	(1,003)	(1,003)	
Total Equity	Before Distribution	23,856,644	24,202,236	25,619,749	25,719,760	25,722,046	
	After Distribution	23,044,981	23,552,906	24,808,086	24,908,097	N/A (Note 3)	

Note 1: The Company has no non-consolidated balance sheet prepared based on IFRSs as of Mar. 31, 2024.

Note 2: The Company did not have asset revaluation and appreciation from 2019 to 2023 and in the first quarter of 2024.

Note 3: As of May 15, 2024, the distribution plan for 2023 earnings has not been approved by the Shareholders' Meeting.

**Condensed Non-Consolidated Statement of Comprehensive Income**

Unit: NT\$ thousand; except for EPS in NT\$

Year Item		Five-Year Financial Summary					As of Mar. 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Operating Income		5,680,054	7,306,687	8,656,965	6,761,955	1,171,918	N/A
Gross Profit		1,380,206	1,829,930	2,645,044	2,298,550	752,715	
Operating Income		304,564	779,364	1,615,683	1,336,584	85,597	
Other Income or Expenses		713,970	162,108	101,092	258,289	569,392	
Profit Before Tax		1,018,534	941,472	1,716,775	1,594,873	654,989	
Net Profit From Continuing Operation		952,767	793,882	1,535,087	1,475,037	592,617	
Loss from Discontinuing Operation		0	0	0	0	0	
Net Profit		952,767	793,882	1,535,087	1,475,037	592,617	
Other Comprehensive Income (After Tax)		84,423	363,373	531,756	(563,363)	221,332	
Total Comprehensive Income		1,037,190	1,157,255	2,066,843	911,674	813,949	
Earnings per Share (EPS) (NT\$)		0.59	0.49	0.95	0.91	0.37	

Note: The Company has no non-consolidated balance sheet prepared based on IFRSs as of Mar. 31, 2024.

**6.1.2 CPA and Audit Opinion for the Last Five Years**

Year	CPA Firm	CPA's Name	Auditing Opinion	Note
2019	PwC Taiwan	Chung-Yu Tien & Chien-Chih Wu	Unqualified opinion	-
2020	PwC Taiwan	Chung-Yu Tien & Chien-Chih Wu	Unqualified opinion	-
2021	PwC Taiwan	Kou-Hua Wang & Chung-Yu Tien	Unqualified opinion	-
2022	PwC Taiwan	Kou-Hua Wang & Chung-Yu Tien	Unqualified opinion	-
2023	PwC Taiwan	Jun Kai Wang & Kou-Hua Wang	Unqualified opinion	-

## 6.2 Financial Analysis for the Last Five Years

### 6.2.1 Financial Analysis (IFRS, Consolidated)

Item \ Year		Financial Analysis for the Last Five Years					As of Mar. 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial Structure	Liabilities to Assets Ratio (%)	55	53	49	46	44	44
	Long-term Capital to PPE Ratio (%)	723	783	728	672	765	757
Solvency	Current Ratio (%)	265	392	264	216	485	500
	Quick Ratio (%)	74	133	126	140	335	342
	Interest Coverage Ratio (%)	2.85	3.43	5.41	5.72	3.09	2.74
Operating Ability	Receivable Turnover Ratio (times)	9.25	12.80	13.78	16.29	10.59	1.98
	Average Collection Day	39	28	26	22	34	45
	Inventory Turnover Ratio (times)	0.43	0.53	0.68	0.96	0.89	0.16
	Payable Turnover Ratio (Times)	3.77	5.08	5.48	5.54	4.52	1.05
	Average Sales Days	848	688	535	379	410	563
	Property, Plant and Equipment Turnover Ratio (times)	1.99	2.02	2.18	2.29	1.55	0.31
	Total Asset Turnover Ratio (times)	0.23	0.22	0.24	0.26	0.18	0.04
Profitability	Return on Total Assets (%)	2.27	1.40	3.34	3.47	1.24	0.27
	Return on Equity (%)	3.93	3.03	5.86	5.62	2.25	0.47
	Pre-tax Net Profit to Paid-In Capital Ratio (%)	6.54	4.86	9.55	9.66	4.47	0.93
	Net Profit Ratio (%)	7.69	6.10	11.66	11.29	6.89	7.17
	Earnings per share (EPS) (NT\$)	0.59	0.49	0.95	0.91	0.37	0.08
Cash Flow	Cash Flow Ratio (%)	33.61	70.30	59.29	54.61	38.17	0.18
	Cash Flow Adequacy Ratio (%)	121.08	166.75	270.28	424.07	470.93	451.45
	Cash Reinvestment Ratio (%)	8.84	12.34	17.96	21.08	3.08	0.02
Leverage	Operating Leverage	2.75	8.97	2.41	1.76	3.29	2.96
	Financial Leverage	1.71	(Note 2)	1.45	1.20	2.23	1.98
<p>The reasons for the increase or decrease for more than 20% in various financial ratios in the last two years:</p> <ol style="list-style-type: none"> <li>1. Current Ratio and Quick Ratio: Mainly due to the decrease in short-term borrowings and current liabilities.</li> <li>2. Interest Coverage Ratio, Cash Flow Ratio and Pre-tax Net Profit to Paid-In Capital Ratio: Mainly due to the decrease in the pre-tax net profit in the current period.</li> <li>3. Receivable Turnover Ratio, Average Collection Days, Property, Plant and Equipment Turnover Ratio and Total Asset Turnover Ratio: Mainly due to the decrease in net sales in the current period.</li> <li>4. Return on Equity, Net Profit Ratio and Earnings per share (EPS): Mainly due to the decrease in after-tax profit in the current period.</li> <li>5. Cash Reinvestment Ratio: Mainly due to the decrease in pre-tax net profit and increase in working capital in the current period.</li> <li>6. Operating Leverage and Financial Leverage: Mainly due to the decrease in operating profit in the current period.</li> </ol>							

Note 1: As of the date of publication of the annual report, the Company's first quarter consolidated financial report was reviewed by CPAs.

Note 2: The denominator or numerator of the calculation formula is zero or negative, so it is not calculated.

Note 3: The calculation formula of this table is as follows:

#### 1. Financial Structure

(1) Ratio of liabilities to assets = total liabilities / total assets.

(2) The ratio of long-term funds to real estate, plant and equipment = (total equity + non-current liabilities) / net real estate, plant and equipment.

#### 2. Solvency

(1) Current ratio = current assets/current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.

(3) Interest coverage ratio = net profit before income tax and interest expenses / interest expenses for the current period.

#### 3. Operating Ability

(1) Turnover rate of accounts receivable (including accounts receivable and notes receivable arising from business operations) = net sales/average accounts receivable of each period (including accounts receivable and notes receivable arising from operations) Notes receivable) balance.

(2) Average cash collection days = 365/receivable turnover rate.

(3) Inventory turnover = cost of goods sold / average inventory.

(4) Turnover rate of accounts payable (including accounts payable and notes payable arising from business operations) = cost of goods sold/balance of average payables (including accounts payable and notes payable arising from operations) in each period.

(5) Average days of sales = 365/inventory turnover.

(6) Turnover rate of real estate, plant and equipment = net sales/average net real estate, plant and equipment.

(7) Total asset turnover = net sales/average total assets.

#### 4. Profitability

(1) Return on assets = [after-tax profit and loss + interest expense x (1 - tax rate)] / total average assets.

(2) Return on equity = after-tax profit/loss/average total equity.

(3) Profit rate = profit and loss after tax / net sales.

(4) Earnings per share = (Profit or loss attributable to owners of the parent company - special stock dividends) / weighted average number of issued shares.

#### 5. Cash Flow

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Allowable ratio of net cash flow = net cash flow from operating activities in the last five years / (capital expenditure + increase in inventory + cash dividends) in the last five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross real estate, plant and equipment + long-term investment + other non-current assets + working capital).

#### 6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / operating profit.

(2) Financial leverage = operating profit / (operating profit - interest expense).

The formula for calculating earnings per share above should pay special attention to the following items when measuring

1. Based on the weighted average number of common shares, not the number of shares outstanding at the end of the year.
2. Anyone who has cash capital increase or treasury stock trading should consider its circulation period and calculate the weighted average number of shares.
3. For those who convert surplus into capital increase or capital reserve into capital increase, when calculating earnings per share for previous years and semi-annual years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preference shares are non-convertible accumulated preference shares, the dividends for the current year (whether paid or not) shall be deducted from the after-tax net profit, or the after-tax net loss shall be added. If the special stock is non-cumulative, if there is a net profit after tax, the special stock dividend shall be deducted from the net profit after tax; if it is a loss, no adjustment is required.

Cash flow analysis should pay special attention to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. The increase in inventory will only be included when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it will be calculated as zero.
4. Cash dividends include cash dividends of ordinary shares and preferred shares.
5. Gross property, plant and equipment refers to the total amount of real property, plant and equipment before deduction of accumulated depreciation.

Issuers should classify various operating costs and operating expenses into fixed and variable according to their nature. If estimates or subjective judgments are involved, attention should be paid to their rationality and consistency.

If the company's stock has no par value or the par value of each share is not NT\$10, the ratio of paid-in capital stated above shall be calculated based on the equity ratio attributable to the owner of the parent company on the balance sheet.

### 6.2.2 Financial Analysis (IFRS, Non-Consolidated)

Item \ Year		Financial Analysis for the Last Five Years					Mar. 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial Structure	Liabilities to Assets Ratio (%)	43	37	30	26	23	N/A
	Long-term Capital to PPE Ratio (%)	6899	7078	6471	6272	6727	
Solvency	Current Ratio (%)	284	516	316	335	765	
	Quick Ratio (%)	58	125	137	207	463	
	Interest Coverage Ratio	3.49	4.25	11.60	11.30	4.94	
Operating Ability	Receivable Turnover Ratio (times)	8.77	26.89	37.86	157.12	34.67	
	Average Collection Day	41	13	10	2	11	
	Inventory Turnover Ratio (times)	0.21	0.31	0.45	0.52	0.07	
	Payable Turnover Ratio (times)	3.51	4.81	8.88	10.32	1.70	
	Average Sales Day	1738	1186	820	708	5214	
	Property, Plant and Equipment Turnover Ratio (times)	11.19	15.12	18.20	14.38	2.50	
	Total Assets Turnover Ratio (times)	0.13	0.18	0.23	0.19	0.03	
Profitability	Return on Total Assets (%)	2.58	2.30	4.39	4.50	2.13	
	Return on Equity (%)	3.99	3.30	6.16	5.75	2.30	
	Pre-tax Net Profit to Paid-in Capital Ratio (%)	6.27	5.80	10.58	9.82	4.03	
	Net Profit Ratio (%)	16.77	10.87	17.73	21.81	50.57	
	Earnings per share (EPS) (NT\$)	0.59	0.49	0.95	0.91	0.37	
Cash Flow	Cash Flow Ratio (%)	38.24	111.35	93.84	107.21	61.75	
	Cash Flow Adequacy Ratio (%)	86.43	145.79	274.85	435.56	485.58	
	Cash Reinvestment Ratio (%)	9.39	15.52	24.16	22.91	1.47	
Leverage	Operating Leverage	2.21	1.44	1.25	1.34	4.48	
	Financial Leverage	2.57	1.26	1.09	1.13	(Note 2)	
The reasons for the increase or decrease for more than 20% in various financial ratios in the last two years: 1. Current Ratio and Quick Ratio: Mainly due to the decrease in short-term borrowings and current liabilities. 2. Interest Coverage Ratio, Cash Flow Ratio and Pre-tax Net Profit to Paid-In Capital Ratio: Mainly due to the decrease in the pre-tax net profit in the current period. 3. Receivable Turnover Ratio, Average Collection Days, Property, Plant and Equipment Turnover Ratio and Total Asset Turnover Ratio: Mainly due to the decrease in net sales in the current period. 4. Inventory Turnover Ratio, Payable Turnover Ratio and Average Sales Day: Mainly due to the decrease in operating costs in the current period. 5. Return on Equity, Net Profit Ratio and Earnings per share (EPS): Mainly due to the decrease in after-tax profit in the current period. 6. Cash Reinvestment Ratio: Mainly due to the decrease in pre-tax net profit and increase in working capital in the current period. 7. Operating Leverage and Financial Leverage: Mainly due to the decrease in operating profit in the current period.							

Note 1: The Company has no non-consolidated financial analysis data prepared in accordance with International Financial Reporting Standards as to the date of Mar. 31, 2024.

Note 2: The denominator or numerator of the calculation formula is zero or negative, so it is not calculated.

Note 3: The calculation formula of this table is as follows:

1. Financial Structure
  - (1) Ratio of liabilities to assets = total liabilities / total assets.
  - (2) The ratio of long-term funds to real estate, plant and equipment = (total equity + non-current liabilities) / net real estate, plant and equipment.
2. Solvency
  - (1) Current ratio = current assets/current liabilities.
  - (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
  - (3) Interest coverage ratio = net profit before income tax and interest expenses / interest expenses for the current period

#### 3. Operating Ability

- (1) turnover rate of accounts receivable (including accounts receivable and notes receivable arising from business operations) = net sales/average accounts receivable of each period (including accounts receivable and notes receivable arising from operations) Notes receivable) balance.
- (2) Average cash collection days = 365/receivable turnover rate.
- (3) Inventory turnover = cost of goods sold / average inventory.
- (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from business operations) = cost of goods sold/balance of average payables (including accounts payable and notes payable arising from operations) in each period.
- (5) Average days of sales = 365/inventory turnover.
- (6) Turnover rate of real estate, plant and equipment = net sales/average net real estate, plant and equipment.
- (7) Total asset turnover = net sales/average total assets.

#### 4. Profitability

- (1) Return on assets = [after-tax profit and loss + interest expense x (1 - tax rate)] / total average assets.
- (2) Return on equity = after-tax profit/loss/average total equity.
- (3) Profit rate = profit and loss after tax / net sales.
- (4) Earnings per share = (Profit or loss attributable to owners of the parent company - special stock dividends) / weighted average number of issued shares.

#### 5. Cash Flow

- (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
- (2) Allowable ratio of net cash flow = net cash flow from operating activities in the last five years / (capital expenditure + increase in inventory + cash dividends) in the last five years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross real estate, plant and equipment + long-term investment + other non-current assets + working capital).

#### 6. Leverage:

- (1) Operating leverage = (net operating income - variable operating costs and expenses) / operating profit.
- (2) Financial leverage = operating profit / (operating profit - interest expense).

The formula for calculating earnings per share above should pay special attention to the following items when measuring

1. Based on the weighted average number of common shares, not the number of shares outstanding at the end of the year.
2. Anyone who has cash capital increase or treasury stock trading should consider its circulation period and calculate the weighted average number of shares.
3. For those who convert surplus into capital increase or capital reserve into capital increase, when calculating earnings per share for previous years and semi-annual years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preference shares are non-convertible accumulated preference shares, the dividends for the current year (whether paid or not) shall be deducted from the after-tax net profit, or the after-tax net loss shall be added. If the special stock is non-cumulative, if there is a net profit after tax, the special stock dividend shall be deducted from the net profit after tax; if it is a loss, no adjustment is required.

Cash flow analysis should pay special attention to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. The increase in inventory will only be included when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it will be calculated as zero.
4. Cash dividends include cash dividends of ordinary shares and preferred shares.
5. Gross property, plant and equipment refers to the total amount of real property, plant and equipment before deduction of accumulated depreciation.

Issuers should classify various operating costs and operating expenses into fixed and variable according to their nature. If estimates or subjective judgments are involved, attention should be paid to their rationality and consistency.

If the company's stock has no par value or the par value of each share is not NT\$10, the ratio of paid-in capital stated above shall be calculated based on the equity ratio attributable to the owner of the parent company on the balance sheet.



**Prince Housing & Development Corporation  
Audit Report by the Audit Committee**

This is to approve that

The 2023 Business Report, 2023 Financial Statements, and 2023 Proposal for Earnings distribution are prepared by the Board of Directors. The 2023 Financial Statements have been approved by CPA Kou-Hua Wang and CPA Jun-Kai Wang from PwC Taiwan who have also issued an audit report. After auditing the Business Report, Financial Statements and Proposal for Profit Distribution, the Committee found no non-conformities and thus issued this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 Shareholders' Annual General Meeting of Prince Housing and Development Corporation

**Prince Housing & Development Corporation  
Audit Committee Chairman  
TSE HSIANG TING**

May 8, 2024

**Declaration of Consolidated Financial Statements  
of Affiliated Enterprises**

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

**PRINCE HOUSING & DEVELOPMENT CORPORATION  
Chairman  
CHIH-HSIEN LO**

March 4, 2024

## PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

### CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### *Opinion*

We have audited the accompanying consolidated balance sheets of Prince Housing & Development Corp. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### *Basis for opinion*

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

### **Accuracy of building and land sales revenue recognition timing**

#### Description

Please refer to Note 4(31) for accounting policies on sales revenue, and Note 6(24) for details.

The Group recognises building and land sales revenue and profit or loss upon the transfer of ownership and turnover of the property. Since the Group has diverse customers, the information delivery and recording process between segments in the Group usually involve manual processes, and thus may result

in inappropriate timing of revenue recognition around the balance sheet date. Considering that the building and land sales revenue comprise most of the Group's operating revenue, we identified the accuracy of building and land sales revenue recognition timing as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding and assessed the reasonableness of internal controls on building and land sales revenue, and tested whether the process of building and land sales revenue recognition timing had been executed effectively, including verifying documents related to the date of ownership transfer and property handover and the accuracy of recognition timing.
- B. We performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, house ownership certificate and customer signed receipts for the turnover of property to confirm that the timing of the building and land sales revenue recognition was appropriate.

**Recognition of construction revenue-the stage of completion estimate**

Description

Please refer to Notes 4(31) and 5(2) for accounting policies on construction contracts and revenue recognition, and Note 6(24) for details. For the year ended December 31, 2023, construction revenue amounted to NT\$4,227,820 thousand, representing 49.83% of consolidated operating revenue.

The Group provided property construction related services. During the duration of a contract, the recognition of revenue is based on the stage of completion of a contract. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. Aforementioned estimated total contract costs were based on contract budget details compiled by owner's design drawing, considering the changes in construction scale caused by additional or less work, and the price fluctuations in the recent market to estimate the contract work, overhead and relevant costs.

As the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, and the estimate of total cost affects the stage of completion and the recognition of construction revenue, thus we consider the reasonableness of the stage of completion which was applied on construction revenue recognition as above mentioned as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding of the nature of business and industry of the Group and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating each construction cost and overhead, and the consistency of applying the estimation method.
- B. We assessed and tested the internal controls which would affect the changes of estimated total cost, including verifying the evidence of additional or less work and constructions.
- C. We inspected the construction site accompanied by the supervisor and other appropriate staff at the end of the reporting period to assess the reasonableness of the stage of completion method result.
- D. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion.

***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$605,697 thousand and NT\$599,303 thousand, constituting 1.31% and 1.25% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$44,019 thousand and NT\$44,638 thousand, constituting 5.46% and 5.08% of the consolidated total comprehensive income for the years then ended, respectively.

***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Prince Housing & Development Corp., with an other matter paragraph, as at and for the years ended December 31, 2023 and 2022.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Wang, Chun-Kai

Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

March 4, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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.

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

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,350,801	18	\$ 9,999,828	21
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	2,947,209	6	3,619,731	8
1136	Current financial assets at amortised cost	6(4) and 8	2,121,199	5	1,153,734	2
1140	Current contract assets	6(24) and 7	536,541	1	511,183	1
1150	Notes receivable, net	6(5)	42,048	-	19,372	-
1170	Accounts receivable, net	6(5)	349,226	1	445,916	1
1180	Accounts receivable - related parties, net	6(5) and 7	404,073	1	341,842	1
1200	Other receivables		15,345	-	4,374	-
1220	Current income tax assets		358	-	7,262	-
130X	Inventories, net	6(6) and 8	6,569,320	14	6,839,811	14
1410	Prepayments		61,023	-	66,399	-
1479	Other current assets		21,604	-	18,250	-
11XX	Current Assets		21,418,747	46	23,027,702	48
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	172,182	-	458,133	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	2,815,770	6	2,318,365	5
1535	Non-current financial assets at amortised cost	6(4) and 8	659,176	2	636,504	1
1550	Investments accounted for under equity method	6(7) and 8	1,919,512	4	1,907,292	4
1600	Property, plant and equipment, net	6(8) and 8	5,466,796	12	5,514,126	12
1755	Right-of-use assets	6(9) and 7	6,110,343	13	6,263,451	13
1760	Investment property, net	6(11) and 8	5,326,909	12	5,399,644	11
1780	Intangible assets, net	6(12)	1,812,715	4	1,874,174	4
1840	Deferred income tax assets	6(30)	279,699	1	321,421	1
1920	Refundable deposits	7	127,115	-	142,086	-
1990	Other non-current assets		141,888	-	90,916	-
15XX	Non-current assets		24,832,105	54	24,926,112	52
1XXX	Total assets		\$ 46,250,852	100	\$ 47,953,814	100

(Continued)

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

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(13) and 8	\$ 831,000	2	\$ 1,301,000	3
2130	Current contract liabilities	6(24) and 7	516,298	1	622,708	1
2150	Notes payable		463	-	1,597	-
2170	Accounts payable	7	1,168,473	3	1,475,835	3
2200	Other payables	6(14)	602,047	1	779,359	2
2230	Current income tax liabilities		33,866	-	54,644	-
2280	Current lease liabilities	7	488,662	1	441,219	1
2310	Receipts in advance		43,356	-	32,323	-
2320	Long-term liabilities, current portion	6(15)(16) and 8	700,000	2	5,880,000	12
2399	Other current liabilities		31,364	-	53,958	-
21XX	<b>Current Liabilities</b>		<u>4,415,529</u>	<u>10</u>	<u>10,642,643</u>	<u>22</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(15)	4,500,000	10	2,000,000	4
2540	Long-term borrowings	6(16) and 8	3,320,000	7	1,120,000	2
2550	Provisions for liabilities - non-current	6(17)	174,491	-	165,984	-
2570	Deferred income tax liabilities	6(30)	279,650	1	279,965	1
2580	Non-current lease liabilities	7	6,373,358	14	6,566,017	14
2610	Long-term notes and accounts payable		808,301	2	808,301	2
2640	Net defined benefit liability - non-current		25,305	-	26,018	-
2645	Guarantee deposits received		181,559	-	164,977	-
2670	Other non-current liabilities	6(7)	196,127	-	195,562	1
25XX	<b>Non-current liabilities</b>		<u>15,858,791</u>	<u>34</u>	<u>11,326,824</u>	<u>24</u>
2XXX	<b>Total Liabilities</b>		<u>20,274,320</u>	<u>44</u>	<u>21,969,467</u>	<u>46</u>
<b>Equity attributable to owners of parent</b>						
	Share capital	6(19)				
3110	common stock		16,233,261	35	16,233,261	34
	Capital surplus	6(20)				
3200	Capital surplus		2,260,513	5	2,260,513	5
	Retained earnings	6(21)				
3310	Legal reserve		2,536,541	6	2,387,299	5
3350	Unappropriated retained earnings		3,281,381	7	3,655,405	8
	Other equity interest	6(22)				
3400	Other equity interest		1,411,353	3	1,184,285	2
3500	Treasury stocks	6(19)	( 1,003)	-	( 1,003)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>25,722,046</u>	<u>56</u>	<u>25,719,760</u>	<u>54</u>
36XX	Non-controlling interest	4(3)	254,486	-	264,587	-
3XXX	<b>Total equity</b>		<u>25,976,532</u>	<u>56</u>	<u>25,984,347</u>	<u>54</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		\$ 46,250,852	100	\$ 47,953,814	100

The accompanying notes are an integral part of these parent company only financial statements.

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Year ended December 31					
		2022		2021			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000 Total operating revenue	6(24) and 7	\$ 6,761,955	100	\$ 8,656,965	100		
5000 Total operating costs	6(6)(12)(29) and 7	( 4,463,405 )	( 66 )	( 6,011,921 )	( 69 )		
5900 Gross profit from operations		2,298,550	34	2,645,044	31		
Operating expenses	6(29) and 7						
6100 Selling expenses		( 144,981 )	( 2 )	( 260,912 )	( 3 )		
6200 Administrative expenses		( 816,985 )	( 12 )	( 768,449 )	( 9 )		
6000 Total operating expenses		( 961,966 )	( 14 )	( 1,029,361 )	( 12 )		
6900 Net operating income		1,336,584	20	1,615,683	19		
Non-operating income and expenses							
7100 Total interest income	6(25)	9,699	-	2,543	-		
7010 Total other income	6(26)	240,753	3	257,397	3		
7020 Other gains and losses, net	6(2)(27)	47,581	1	5,542	-		
7050 Finance costs, net	6(6)(28)	( 154,773 )	( 2 )	( 128,179 )	( 2 )		
7070 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	115,029	2	( 36,211 )	-		
7000 Total non-operating income and expenses		258,289	4	101,092	1		
7900 <b>Profit from continuing operations before tax</b>		1,594,873	24	1,716,775	20		
7950 Income tax expenses	6(30)	( 119,836 )	( 2 )	( 181,688 )	( 2 )		
8000 <b>Profit from continuing operations</b>		1,475,037	22	1,535,087	18		
8200 <b>Profit</b>		\$ 1,475,037	22	\$ 1,535,087	18		
<b>Other comprehensive income</b>							
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>							
8311 Gains on remeasurements of defined benefit plans	6(18)	\$ 10,627	-	\$ 4,904	-		
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	( 445,140 )	( 7 )	298,400	3		
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(22)	( 128,850 )	( 2 )	228,452	3		
8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss		( 563,363 )	( 9 )	531,756	6		
8300 <b>Total other comprehensive (loss) income</b>		( \$ 563,363 )	( 9 )	\$ 531,756	6		
8500 <b>Total comprehensive income</b>		\$ 911,674	13	\$ 2,066,843	24		
Basic earnings per share	6(31)						
9750 Total basic earnings per share		\$ 0.91		\$ 0.95			
9850 Total diluted earnings per share		\$ 0.90		\$ 0.94			

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Year ended December 31, 2022	Equity attributable to owners of the parent									
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements differences of translation foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest
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
Profit (loss) for the year	6(31)	-	-	-	1,475,037	-	-	-	1,475,037	( 32,881 )
Other comprehensive loss for the year	6(3)(22)	-	-	-	( 12,571 )	-	( 575,934 )	-	( 563,363 )	( 30 )
Total comprehensive income (loss)		-	-	-	1,462,466	-	( 575,934 )	-	911,674	( 32,911 )
Appropriations and distribution of 2021 earnings:										
Legal reserve		-	-	154,407	( 154,407 )	-	-	-	-	-
Cash dividends	6(21)	-	-	-	( 811,663 )	-	-	-	( 811,663 )	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	4,815	-	( 4,815 )	-	-	-
Changes in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	150,000
Balance at December 31, 2022		\$ 16,233,261	\$ 2,260,513	\$ 2,387,299	\$ 3,655,405	( \$ 48 )	\$ 1,184,333	( \$ 1,003 )	\$ 25,719,760	\$ 264,587
Year ended December 31, 2023										
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
Profit (loss) for the year	6(31)	-	-	-	592,617	-	-	-	592,617	( 7,630 )
Other comprehensive loss for the year	6(3)(22)	-	-	-	( 5,736 )	-	227,068	-	221,332	-
Total comprehensive income (loss)		-	-	-	586,881	-	227,068	-	813,949	( 7,630 )
Appropriations and distribution of 2022 earnings:										
Legal reserve		-	-	149,242	( 149,242 )	-	-	-	-	-
Cash dividends	6(21)	-	-	-	( 811,663 )	-	-	-	( 811,663 )	-
Changes in non-controlling interest		-	-	-	-	-	-	-	-	( 2,471 )
Balance at December 31, 2023		\$ 16,233,261	\$ 2,260,513	\$ 2,536,541	\$ 3,281,381	( \$ 48 )	\$ 1,411,401	( \$ 1,003 )	\$ 25,722,046	\$ 254,486

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



**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 725,565	\$ 1,568,400
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)	( 19,880 )	616,019
Expected credit impairment loss	12(2)	45	511
Share of profit of associates and joint ventures accounted for under equity method	6(7)	( 101,161 )	( 101,570 )
Gain on disposal of property, plant and equipment	6(27)	2,202	( 27,829 )
Property, plant and equipment transferred to expenses		1,390	850
Gain from changes in lease payments arising from the rent concessions	6(9)	-	( 3,731 )
Gain arising from lease modification	6(9)	( 18 )	( 49 )
Depreciation	6(8)(9)(11)(29)	750,167	759,572
Amortization	6(12)(29)	62,229	62,898
Interest expense	6(28)	346,480	329,333
Interest income	6(25)	82,704	( 20,283 )
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		708,387	( 465,590 )
Current contract assets	(	25,358 )	( 4,756 )
Notes receivable	(	22,676 )	9,980
Accounts receivable		96,645	276,951
Accounts receivable - related parties	(	62,231 )	( 335,382 )
Other receivables	(	10,800 )	54,679
Inventories		259,081	4,482,211
Prepayments		14,534	50,653
Other current assets	(	3,354 )	( 15,706 )
Other non-current liabilities	(	54,607 )	( 16,565 )
Net changes in liabilities relating to operating activities			
Current contract liabilities	(	106,410 )	( 719,625 )
Notes payable	(	1,134 )	1,263
Accounts payable	(	307,362 )	( 230,447 )
Other payables	(	186,614 )	70,553
Receipts in advance		11,033	3,271
Other current liabilities	(	22,594 )	( 46,512 )
Provisions for liabilities - non-current		8,507	29,480
Net defined benefit liability - non-current	(	6,854 )	( 12,854 )
Other non-current liabilities, others		176	156
Cash inflow generated from operations		1,897,417	6,100,126
Interest received		82,704	20,283
Cash dividend received		164,407	260,557
Interest paid	(	346,364 )	( 319,697 )
Income tax paid	(	112,867 )	( 249,311 )
Net cash flows from operating activities		1,685,297	5,811,958

(Continued)

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		( \$ 967,465 )	( \$ 387,816 )
Financial assets at fair value through profit or loss - non-current		269,966	117,531
Acquisition of financial assets at fair value through other comprehensive income-non-current		( 270,162 )	( 139,603 )
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		-	27
Proceeds from returning fees of non-current financial assets at fair value through other comprehensive income		71	-
Increase in financial assets at amortised cost non-current		( 22,672 )	( 2,514 )
Acquisition of property, plant and equipment	6(8)	( 134,053 )	( 48,678 )
Proceeds from disposal of property, plant and equipment		310	31,660
Increase in intangible assets	6(12)	( 770 )	( 585 )
Decrease in refundable deposits		14,971	14,902
Net cash flows used in investing activities		( 1,109,804 )	( 415,076 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(33)	( 470,000 )	25,140
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)	( 3,380,000 )	( 1,241,624 )
Proceeds from long-term borrowings	6(33)	2,900,000	300,000
Increase in guarantee deposits received	6(33)	16,582	435
Payments of lease liabilities	6(33)	( 476,968 )	( 449,986 )
Cash dividends paid	6(21)	( 811,663 )	( 811,663 )
Change in non-controlling interest	4(3)	( 2,471 )	150,000
Net cash flows used in financing activities		( 2,224,520 )	( 2,277,698 )
Net (decrease) increase in cash and cash equivalents		( 1,649,027 )	3,119,184
Cash and cash equivalents at beginning of year		9,999,828	6,880,644
Cash and cash equivalents at end of year		\$ 8,350,801	\$ 9,999,828

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

**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 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 reported to the Board of Directors on Marth 4, 2024.

**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®”) Accounting Standards 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:

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(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 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

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to

the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Prince Housing & Development Corp.	Prince Property Management Consulting Co.	Real estate agency and management consulting	100	100	Notes 1 and 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	100	
	Prince Housing Investment Corp.	Overseas investment	100	100	
	The Splendor Hospitality International Co., Ltd.	Hotels and catering	50	50	
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	
	Prince Industrial Corp.	Development of public housing and building	100	100	
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68	99.68	
	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	
	Prince Security & Guard Co., Ltd.	Security	100	100	
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	
	Cheng-Shi Construction Co., Ltd.	Construction	100	100	
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	
Prince Industrial Corp.	Prince Chong-De Industrial Corp.	Development of public housing and building	100	-	Notes 3
	Prince Da-Li-Yi Industrial Corp.	Development of public housing and building	100	-	Notes 4

Note1: 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 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 3: The investee was newly established in September 2023.

Note 4: The investee was newly established in December 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) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

## A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

## B. Translation of foreign operations

- (a) The operating results and financial position of all the Group entities, associates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. If assets and liabilities are related to the construction business, they are classified as current or non-current according to their operating cycle; if they are not related to the construction business, they are classified by annual basis.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits mature within three months and bonds and notes with call back options that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at

initial recognition to recognise changes in fair value in other comprehensive income

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

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.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Except for gains or losses occurring from construction contracts that are recognised using the percentage of completion method, "land held for construction", "construction in progress", and "buildings and land held for sale" are stated at cost and evaluated at the lower of cost or net realisable value at the end of period. The individual item approach is used in the comparison of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The interest costs related to construction in progress are capitalised during the construction.

(15) Investments accounted for using equity method / subsidiaries, associates

- A. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment

retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

#### (16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	50 ~ 60 years
Machinery and equipment	3 ~ 10 years
Computer and communication equipment	5 years
Transportation equipment	3 ~ 5 years
Office equipment	3 ~ 20 years
Leasehold improvements	2 ~ 20 years
Other equipment	2 ~ 10 years

#### (17) Leasing arrangements (lessee)-right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-

value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- Fixed payments, less any lease incentives receivable; and
  - Variable lease payments that depend on an index or a rate.

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

#### (18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 44 ~ 60 years.

#### (19) Intangible assets

Computer software cost and service concession are stated at acquisition cost and amortised on a straight line basis. The useful life of major intangible assets is 3~5 years, while service concession is 44 years.

#### (20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

#### (21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Provisions

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

(27) Employee benefits

- A. Short-term employee benefits
 

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.
- B. Pensions
  - (a) Defined contribution plans
 

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.
  - (b) Defined benefit plans
    - i. Net obligation under a defined benefit plan is defined as the present value of an amount

of pension benefits that employees will receive on retirement for their services with the Group in current period. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet) of a currency and term consistent with the currency and term of the employment benefit obligations.

- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings

## C. Employees' compensation and directors' and supervisors' remuneration

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

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.
- G. Consolidated income tax return for tax filings of certain domestic subsidiaries in the Group accounted for in accordance with individual reporting situations. And subsidiaries have selected the consolidated income tax return for tax filings and pay additional tax on their undistributed retained earnings. If there is any tax effect due to the adoption of the consolidated tax system, the subsidiaries can proportionately allocate the effects on tax expense (benefit), deferred income tax and tax payable (tax refund receivable).

#### (29) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

#### (30) Dividends

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

#### (31) Revenue recognition

##### A. Sales of services

The Group provides security and property management services. Revenue from a service contract in which the Group bills an agreed amount of service provided is recognised at the amount to which the Group has the right to invoice.

##### B. Land development and resale

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

(b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

##### C. Construction contract revenue

The Group sub-contracts public construction projects, sale and lease of public housings and business buildings. The construction contracts are identified to be one performance obligation satisfied over time. Contract revenue should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract. If the outcome of a performance obligation cannot be estimated reliably in the beginning of the contract, but the incurred costs for satisfying performance obligation can be recovered, contract revenue should be recognised only to the extent of contract costs incurred that it is probable will be recoverable until the performance obligation can be estimated reliably. The customer pays at the time specified in the payment schedule. If the input construction cost exceed the payment, a contract asset is recognised. If the payments exceed the input construction cost, a contract liability is recognised. D. Rental revenue

The Company leases offices and dormitories. Rental revenue is recognised in profit or loss on a straight-line basis over the lease term.

##### D. Hospitality service revenue

The Group provides accommodation and food and beverage services. Revenue from providing accommodation services is recognised in the accounting period based on the stage of completion of the services. Revenue from providing food and beverage services is recognised when food and beverages are serviced to the customer.

##### E. Service concession revenue

Information on service concession revenue is provided in Note 4(32).

##### F. Rental revenue

The Group leases offices and dormitories. Rental revenue is recognised in profit or loss monthly on a straight-line basis over the lease term.

##### G. Incremental costs of obtaining a contract

The Group recognises an asset (shown as 'other current assets') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that have not been recognised as expenses.

#### (32) Service concession arrangements

A. The Company was contracted by National Taiwan University (grantor) to provide construction for the government's infrastructure assets for public services and operate those assets for Changxing St. Campus for 44 years and 6 months, and for Shuiyuan Campus for 44 years and 4 months after construction is completed. When the term of operating period expires, the underlying infrastructure assets will be transferred to National Taiwan University without consideration. The Company allocates the fair value of the consideration received or receivable in respect of the service concession arrangement between construction services and operating services provided based on their relative fair values, and recognises such allocated amounts as revenues in accordance with IFRS 15, 'Revenue from contracts with customers'.

B. Costs incurred on provision of construction services or upgrading services under a service

concession arrangement are accounted for in accordance with IFRS 15, 'Revenue from contracts with customers'.

- C. The consideration received or receivable from the grantor in respect of the service concession arrangement is recognised at its fair value. Such considerations are recognised as a financial asset or an intangible asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. The Company recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services, and recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

## 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

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$ 9,324	\$ 8,760
Checking accounts and demand deposits	4,592,243	6,390,269
Deposit account	50,000	-
Repurchase bonds	3,699,234	3,600,799
	<u>\$ 8,350,801</u>	<u>\$ 9,999,828</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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 2,888,077	\$ 3,594,988
Valuation adjustment	59,132	24,743
	<u>\$ 2,947,209</u>	<u>\$ 3,619,731</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed (TSE and OTC) stocks	\$ 16,993	\$ 146,989
Beneficiary certificates	76,000	76,000
	<u>92,993</u>	<u>222,989</u>
Valuation adjustments	79,189	235,144
	<u>\$ 172,182</u>	<u>\$ 458,133</u>

- A. The Group recognised net gains (losses) of \$19,880 and (\$616,019) on financial assets at fair value through profit or loss for the years ended December 31, 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	December 31, 2023	December 31, 2022
Non-current items:		
Designation of equity instruments		
Listed stocks	\$ 502,933	\$ 232,842
Unlisted stocks	902,198	902,198
	1,405,131	1,135,040
Valuation adjustments	1,410,639	1,183,325
	<u>\$ 2,815,770</u>	<u>\$ 2,318,365</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 \$2,815,770 and \$2,318,365 as at December 31, 2023 and 2022, respectively.
- B. For the year ended December 31, 2022, the unlisted company which was invested by the Group was liquidated, therefore, the Group reclassified accumulated gains of \$4,815 from other equity to retained earnings.
- C. For the year ended December 31, 2023 and 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 \$270,162 and \$117,698 (including \$196 and \$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:

	Years ended December 31,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 227,068	(\$ 575,964)
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,815
Dividend income recognised in profit or loss held at end of period	\$ 54,872	\$ 122,463

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits maturing in excess of three months	\$ 2,099,559	\$ 1,124,816
Trust account	21,640	28,918
	<u>\$ 2,121,199</u>	<u>\$ 1,153,734</u>
Non-current items:		
Compensating balance	\$ 506,345	\$ 494,673
Pledged certificate of deposit	152,831	141,831
	<u>\$ 659,176</u>	<u>\$ 636,504</u>

- A. As at December 31, 2023 and 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 \$2,780,375 and \$1,790,238, 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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 42,048	\$ 19,372
Accounts receivable	\$ 350,040	\$ 446,691
Less: Allowance for doubtful accounts	( 814)	( 775)
	<u>\$ 349,226</u>	<u>\$ 445,916</u>
Accounts receivable - related parties	<u>\$ 404,073</u>	<u>\$ 341,842</u>

- A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	\$ 42,048	\$ 743,567	\$ 19,372	\$ 775,632
Up to 30 days	-	9,143	-	11,272
31 to 60 days	-	536	-	564
61 to 90 days	-	142	-	-
Over 91 days	-	725	-	1,065
	<u>\$ 42,048</u>	<u>\$ 754,113</u>	<u>\$ 19,372</u>	<u>\$ 788,533</u>

The above ageing analysis was based on past due date.

- B. As at December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$740,796, \$774,432, and \$725,858, respectively.
- C. As at December 31, 2023 and 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 \$42,048 and \$19,372, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$753,299 and \$787,758, 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

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,577,441	(\$ 62,573)	\$ 5,514,868
Construction in progress	118,158	-	118,158
Buildings and land held for sale	697,755	( 10,037)	687,718
Prepayment for land	228,635	-	228,635
Merchandise	19,941	-	19,941
	<u>\$ 6,641,930</u>	<u>(\$ 72,610)</u>	<u>\$ 6,569,320</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>

- A. The cost of inventories recognised as expense for the years ended December 31, 2023 and 2022, was \$4,226,103 and \$7,038,799, respectively, including the amount of \$0 and \$4,845, respectively, that the Group wrote down from cost to net realisable value accounted for as cost of goods sold, as well as the amount of \$2,815 and \$0, 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. The construction in progress as of December 31, 2023 included the amount of depreciation expense of the right-of-use assets (land use right) during the construction period and interest expense arising from the lease liabilities capitalised. Refer to Note 6(9) F. for details. There were no such transactions on December 31, 2022.

- C. Details of the Group's inventories pledged to others as collateral are provided in Note 8.
- D. The interest capitalized as cost of inventory is as follows:

	Years ended December 31,	
	2023	2022
Interest paid before capitalization	\$ 349,698	\$ 331,666
Interest capitalized	\$ 3,218	\$ 2,333
Annual interest rate used for capitalization	0.56%~2.40%	0.72%~1.36%

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

#### (a) Buildings and land in progress

	December 31, 2023	December 31, 2022
<u>Taipei branch</u>		
Bali Dist Chung Chang Section No.222 and 211-1, etc.	\$ 692,318	\$ 692,297
<u>Taichung branch</u>		
Beitun Dist. Rong-De Lot No.129, etc.	764,318	764,466
Qingshui Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	216,704	216,704
	<u>981,022</u>	<u>981,170</u>
<u>Tainan branch</u>		
Jin Hua Section No. 1361	689,322	689,315
Shan Chia Section No. 939, etc.	163,436	157,201
Others	3,738	3,738
	<u>856,496</u>	<u>850,254</u>
<u>Kaohsiung branch</u>		
Prince Cloud B (Ren Wu New Hougang West Section No .42, etc.)	364,370	364,370
Ren Wu New Hougang West Section No. 88 experimental house	72,933	72,933
	<u>437,303</u>	<u>437,303</u>
Total buildings and land in process	<u>\$ 2,967,139</u>	<u>\$ 2,961,024</u>

#### (b) Undeveloped land held for construction site.

	December 31, 2023	December 31, 2022
<u>Taipei branch</u>		
Zhong Li Pu Ren Lot No. 720, etc.	\$ 140,156	\$ 140,156
Others	5,978	5,978
	<u>146,134</u>	<u>146,134</u>
<u>Taichung branch</u>		
Wu Feng Lot No. 365~855 etc.	175,661	175,661
Song Quan Lot No. 164 etc.	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513
Others	11,840	11,840
	<u>419,790</u>	<u>419,790</u>

Tainan branch

	December 31, 2023	December 31, 2022
Shan Zhong Lot No. 1468, 1475 & 1476 etc.	234,699	234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610
Bei An Section No. 54-3, etc.	28,317	28,317
Chin An Section No. 373~377	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325
Others	14,550	14,550
	<u>382,438</u>	<u>382,438</u>

Kaohsiung branch

Ren Wu New Hougang West Section No. 53, etc.	905,077	905,077
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357
Ren Wu Xiahai Section No. 642, 669 & 940, etc.	41,668	41,668
Da Hua Lot No. 434 & 436	13,923	13,923
	<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>

## (c) Buildings and land held for sale

Taipei branch

	December 31, 2023	December 31, 2022
Prince Hua Wei	\$ 419,964	\$ 615,951
Prince Yuan	67,259	82,586
Prince Da Din	11,597	12,025
Prince W	-	18,542
Prince Pine Garden	-	8,258
	<u>498,820</u>	<u>737,362</u>

Taichung branch

Prince Xian Heng	115,544	115,484
Prosperous New World	26,892	27,713
Prince Holiday Mansion	9,058	9,058
Others	6,118	6,118
	<u>157,612</u>	<u>158,373</u>

Tainan branch

Prince Golden Age	4,145	4,145
Jun Chan LV	4,081	19,725
Prince WIN2 Future	-	11,837
Others	2,292	2,292
	<u>10,518</u>	<u>37,999</u>

Kaohsiung branch

Prince Castle (Townhouse)	30,132	30,132
Prince Cloud C Apartment	23,475	25,911
Cozy Prince Mansion	-	9,000
Prince Da Din	-	3,259
	<u>53,607</u>	<u>68,302</u>
Total buildings and land held for sale	<u>\$ 720,557</u>	<u>\$ 1,002,036</u>

## (d) Prepayment for land

Tainan branch

	December 31, 2023	December 31, 2022
Ren Wu New Hougang West Section No. 20, etc.	\$ 288,635	\$ 228,635

## F. Disclosure of significant constructions:

(a) As of December 31, 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	64.14%	\$ 172,270
Jincheng Interchange Project	2,590,476	2,460,952	0.75%	971
Urban renewal construction on Zhengguang Road in Taoyuan	2,252,381	2,139,762	4.71%	5,304
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,955,238	54.78%	-
Beitou Shilin Science and Technology Park	1,374,382	1,293,471	87.09%	70,465
Urban land consolidation engineering of Bei An commercial district	1,155,617	1,097,832	79.12%	45,719

(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



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

Name of associates	December 31, 2023		December 31, 2022	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Geng-Ding Co., Ltd.	\$ 309,262	30.00%	\$ 313,882	30.00%
Uni-President Development Corp.	1,173,018	30.00%	1,167,581	30.00%
PPG Investment Inc.	23,696	27.30%	20,799	27.30%
Queen Holdings Ltd.	413,536	27.30%	405,030	27.30%
Amida Truslink Assets Management Co., Ltd. (Note)	-	45.21%	-	45.21%
	<u>\$ 1,919,512</u>		<u>\$ 1,907,292</u>	

Note : As of December 31, 2023 and 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 \$140,797 and \$140,408, 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.	
	December 31, 2023	December 31, 2022
Current assets	\$ 69,238	\$ 61,759
Non-current assets	6,465,726	6,769,627
Current liabilities	( 1,939,848)	( 2,295,832)
Non-current liabilities	( 685,055)	( 643,617)
Total net assets	<u>\$ 3,910,061</u>	<u>\$ 3,891,937</u>
Share in associate's net assets	\$ 1,173,018	\$ 1,167,581

Statements of comprehensive income

	Uni-President Development Corp.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 941,304	\$ 899,939
Profit for the period from continuing operations	\$ 189,843	\$ 190,928
Total comprehensive income	\$ 189,843	\$ 190,928
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 December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$605,697 and \$599,303, respectively.

	Years ended December 31,	
	2023	2022
Profit for the period from continuing operations	\$ 158,037	\$ 154,599
Other comprehensive (loss) income, net of tax	( 634)	1,154
Total comprehensive income	<u>\$ 157,403</u>	<u>\$ 155,753</u>

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

E. For the years ended December 31, 2023 and 2022, the Group's share of profit of associates and joint ventures accounted for under the equity method amounted to \$101,161 and \$101,570, respectively.

F. 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.

G. 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:

	December 31, 2023	December 31, 2022
Land	\$ 2,848,344	\$ 2,848,606
Buildings and structures	2,202,078	2,305,448
Machinery and equipment	822	1,091
Computer and communication equipment	13,746	4,600
Transportation equipment	1,309	680
Office equipment	211,205	197,596
Leasehold improvements	121,032	95,095
Other equipment	54,969	49,856
Construction in progress and equipment under acceptance	13,291	11,154
	<u>\$ 5,466,796</u>	<u>\$ 5,514,126</u>

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

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
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	663	( 6,178)	1,054	1,910,947
Assets subject to operating leases	1,863,393	-	( 45,309)	-	1,818,084
Machinery and equipment	16,566	277	( 2,699)	-	14,144
Computer and communication equipment	64,606	8,973	( 9,331)	2,135	66,383
Transportation equipment	1,974	1,200	( 1,305)	-	1,869
Office equipment	884,500	55,093	( 69,839)	6,817	876,571
Leasehold improvements	844,426	46,351	( 195)	25	890,607
Other equipment	107,630	10,971	( 16,289)	( 1,457)	100,855
Construction in progress and equipment under acceptance	11,154	10,525	-	( 8,388)	13,291
	<u>\$ 8,558,263</u>	<u>\$ 134,053</u>	<u>(\$ 151,145)</u>	<u>(\$ 76)</u>	<u>\$ 8,541,095</u>

Year ended December 31, 2022					
Cost	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	1,656	( 1,853)	-	1,915,408
Assets subject to operating leases	1,863,393	-	-	-	1,863,393
Machinery and equipment	16,566	-	-	-	16,566
Computer and communication equipment	63,444	2,349	( 1,187)	-	64,606
Transportation equipment	9,714	30	( 7,770)	-	1,974
Office equipment	869,429	23,816	( 18,894)	10,149	884,500
Leasehold improvements	840,505	3,921	-	-	844,426
Other equipment	104,346	4,785	( 738)	( 763)	107,630
Construction in progress and prepayments for equipment	7,285	12,121	-	( 8,252)	11,154
	<u>\$ 8,540,562</u>	<u>\$ 48,678</u>	<u>(\$ 32,111)</u>	<u>\$ 1,134</u>	<u>\$ 8,558,263</u>

Year ended December 31, 2023					
Accumulated depreciation	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Buildings and structures					
Assets used by the Group	\$ 706,875	\$ 45,767	(\$ 6,178)	(\$ 958)	\$ 745,506
Assets subject to operating leases	766,478	60,278	( 45,309)	-	781,447
Machinery and equipment	15,475	500	( 2,653)	-	13,322
Computer and communication equipment	60,006	1,962	( 9,331)	-	52,637
Transportation equipment	1,294	255	( 989)	-	560
Office equipment	686,904	47,814	( 69,352)	-	665,366
Leasehold improvements	749,331	20,426	( 182)	-	769,575
Other equipment	57,774	2,751	( 14,639)	-	45,886
	<u>\$ 3,044,137</u>	<u>\$ 179,753</u>	<u>(\$ 148,633)</u>	<u>(\$ 958)</u>	<u>\$ 3,074,299</u>

Accumulated depreciation	Year ended December 31, 2022				
	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Buildings and structures					
Assets used by the Group	\$ 662,717	\$ 45,168	(\$ 1,010)	\$ -	\$ 706,875
Assets subject to operating leases	702,966	63,512	-	-	766,478
Machinery and equipment	14,812	663	-	-	15,475
Computer and communication equipment	60,008	1,185	( 1,187)	-	60,006
Transportation equipment	8,053	444	( 7,203)	-	1,294
Office equipment	657,161	48,460	( 18,717)	-	686,904
Leasehold improvements	721,751	27,580	-	-	749,331
Other equipment	54,386	3,551	( 163)	-	57,774
	<u>\$ 2,881,854</u>	<u>\$ 190,563</u>	<u>(\$ 28,280)</u>	<u>\$ -</u>	<u>\$ 3,044,137</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 50 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. The period of the lease contract of the superficies leased by the Group is 50 years. Refer to Note 9(11) for the details of relevant terms and conditions.

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

	December 31, 2023	December 31, 2022
	Book value	Book value
Land	\$ 8,787	\$ 10,844
Buildings and structures	5,897,237	6,251,954
Superficies	200,473	-
Transportation equipment (business vehicles)	3,846	653
	<u>\$ 6,110,343</u>	<u>\$ 6,263,451</u>
	Years ended December 31,	
	2023	2022
	Depreciation expense	Depreciation expense
Land	\$ 2,487	\$ 2,488
Buildings and structures	481,030	480,440
Superficies	255	-
Transportation equipment (business vehicles)	1,106	648
	<u>\$ 484,878</u>	<u>\$ 483,576</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets and lease liabilities were \$335,095 and \$39,962, respectively.

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

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 114,895	\$ 119,618
Expense on short-term lease contracts	5,993	8,454
Expense on leases of low-value assets	1,605	1,195
Profit from lease modification	18	49

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases amounted to \$599,461 and \$579,253, respectively.

F. The depreciation expense and interest expense for the year ended December 31, 2023 were the related construction cost amounting to \$387 directly attributable to the construction of the BOT Project described in Note 9(11) and were capitalised. There were no such transactions for the year ended December 31, 2022.

G. 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 1.72% 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 9.14%.

H. Extension and termination options

(a) Extension options are included in approximately 90% 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.

I. 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 \$3,731 by increasing other income for the year ended December 31, 2022. 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 years ended December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Rent income	\$ 482,424	\$ 487,565
Rent income arising from variable lease payments	\$ 73,616	\$ 47,389

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

	December 31, 2023
January 1, 2024 to December 31, 2024	\$ 379,143
January 1, 2025 to December 31, 2029	1,004,350
After January 1, 2030	1,341,020
	<u>\$ 2,724,513</u>
	December 31, 2022
January 1, 2023 to December 31, 2023	\$ 371,827
January 1, 2024 to December 31, 2028	391,470
After January 1, 2029	97,418
	<u>\$ 860,715</u>

(11) Investment property

A. Details of book values are as follows:

	December 31, 2023	December 31, 2022
Land	\$ 207,077	\$ 207,077
Leased assets-land	2,598,867	2,597,386
Leased assets-buildings	2,520,965	2,595,181
	<u>\$ 5,326,909</u>	<u>\$ 5,399,644</u>



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

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,597,386	-	-	1,481	2,598,867
Leased assets - buildings	3,947,476	-	(1,180)	12,278	3,958,574
	<u>\$ 6,751,939</u>	<u>\$ -</u>	<u>(\$ 1,180)</u>	<u>\$ 13,759</u>	<u>\$ 6,764,518</u>
Year ended December 31, 2022					
Cost	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,597,386	-	-	-	2,597,386
Leased assets - buildings	3,947,476	-	-	-	3,947,476
	<u>\$ 6,751,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,751,939</u>
Year ended December 31, 2023					
Accumulated depreciation	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Leased assets - buildings	\$ 1,352,295	\$ 85,536	(\$ 1,180)	\$ 958	\$ 1,437,609
Year ended December 31, 2022					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	\$ 1,266,862	\$ 85,433	\$ -	\$ -	\$ 1,352,295

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

Years ended December 31,		
	2023	2022
Rental revenue from the lease of the investment property	\$ 485,838	\$ 470,284
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 174,493	\$ 157,099
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ -	\$ -

D. As of December 31, 2023 and 2022, the fair value of the investment property held by the Group was \$17,487,858 and \$12,512,142, 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:

	December 31, 2023	December 31, 2022
Service concession	\$ 1,810,416	\$ 1,871,669
Software	2,299	2,505
	<u>\$ 1,812,715</u>	<u>\$ 1,874,174</u>

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

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	9,333	770	-	-	10,103
	<u>\$ 2,877,705</u>	<u>\$ 770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,878,475</u>
Year ended December 31, 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	(852)	-	9,333
	<u>\$ 2,877,972</u>	<u>\$ 585</u>	<u>(\$ 852)</u>	<u>\$ -</u>	<u>\$ 2,877,705</u>
Year ended December 31, 2023					
Accumulated amortization	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Service concession	\$ 996,703	\$ 61,253	\$ -	\$ -	\$ 1,057,956
Software	6,828	976	-	-	7,804
	<u>\$ 1,003,531</u>	<u>\$ 62,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,065,760</u>
Year ended December 31, 2022					
Accumulated amortization	Opening net book amount	Additions	Decrease	Transfers	Closing net book amount
Service concession	\$ 935,450	\$ 61,253	\$ -	\$ -	\$ 996,703
Software	6,035	1,645	(852)	-	6,828
	<u>\$ 941,485</u>	<u>\$ 62,898</u>	<u>(\$ 852)</u>	<u>\$ -</u>	<u>\$ 1,003,531</u>

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

Years ended December 31,		
	2023	2022
Operating costs	\$ 61,253	\$ 61,253
General and administrative expenses	976	1,645
	<u>\$ 62,229</u>	<u>\$ 62,898</u>

(13) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 831,000	\$ 1,151,000
Secured bank borrowings	-	150,000
	<u>\$ 831,000</u>	<u>\$ 1,301,000</u>
Interest rate range	<u>2.01%~2.29%</u>	<u>1.50%~2.16%</u>

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

(14) Other payables

	December 31, 2023	December 31, 2022
Salaries and rewards payable	\$ 210,064	\$ 218,008
Taxes payable	47,365	49,761
Employees' compensation payable	65,589	190,643
Directors' remuneration payable	24,563	55,456
Advertisement payable	1,410	41,612
Business tax payable	9,723	14,921
Others	243,333	208,958
	<u>\$ 602,047</u>	<u>\$ 779,359</u>

(15) Bonds payable

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

	December 31, 2023	December 31, 2022
Secured bank borrowings	\$ 3,620,000	\$ 3,970,000
Unsecured bank borrowings	400,000	530,000
	<u>4,020,000</u>	<u>4,500,000</u>
Less: Current portion	(700,000)	(3,380,000)
	<u>\$ 3,320,000</u>	<u>\$ 1,120,000</u>
Range of maturity dates	<u>2024.02.01~2028.10.15</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>

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

	2023	2022
At January 1	\$ 165,984	\$ 136,504
Additions	44,263	53,789
Used	(35,756)	(24,309)
At December 31	\$ 174,491	\$ 165,984

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) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	(\$ 164,424)	(\$ 169,331)
Fair value of plan assets	139,119	143,313
Net defined benefit liability	(\$ 25,305)	(\$ 26,018)

## (c) Changes in net defined benefit liability are as follows:

2023

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 169,331)	\$ 143,313	(\$ 26,018)
Current service cost	( 220)	-	( 220)
Interest (expense) income	( 2,040)	1,729	( 311)
	( 171,591)	145,042	( 26,549)
Remeasurements:			
Change in financial assumptions	( 115)	-	( 115)
Experience adjustments	( 6,805)	779	( 6,026)
	( 6,920)	779	( 6,141)
Pension fund contribution	( 122)	4,710	4,588
Paid pension	14,209	( 11,412)	2,797
Balance at December 31	(\$ 164,424)	\$ 139,119	(\$ 25,305)

2022

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 190,870)	\$ 135,890	(\$ 54,980)
Current service cost	( 309)	-	( 309)
Interest (expense) income	( 1,329)	943	( 386)
	( 192,508)	136,833	( 55,675)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	899	899
Change in financial assumptions	5,818	-	5,818
Experience adjustments	156	9,235	9,391
	5,974	10,134	16,108
Pension fund contribution	-	5,120	5,120
Paid pension	17,203	( 8,774)	8,429
Balance at December 31	(\$ 169,331)	\$ 143,313	(\$ 26,018)



(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2023	2022
Discount rate	1.10%~1.20%	1.20%~1.30%
Future salary increases	1.50%~2.00%	1.50%~2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 2,448)	\$ 2,511	\$ 2,088	(\$ 2,047)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 2,730)	\$ 2,803	\$ 2,366	(\$ 2,318)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$2,502.
- (f) As of December 31, 2023, the weighted average duration of that retirement plan is 4~10 years.
- 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 years ended December 31, 2023 and 2022 were \$56,151 and \$63,478, 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 December 31	1,622,671	1,622,671

B. As of December 31, 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 December 31, 2023 and 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\$11.10 and NT\$10.50 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.

	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
<u>2023</u>				
At January 1 / At December 31	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513
	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
<u>2022</u>				
At January 1 / At December 31	\$ 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. On March 4, 2024, the Board of Directors proposed that total dividends for the distribution of earnings for 2023 was \$584,397 at NT\$0.36 (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	227,068	-	227,068
At December 31, 2023	\$ 1,411,401	(\$ 48)	\$ 1,411,353

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2022	\$ 1,765,082	(\$ 48)	\$ 1,765,034
Revaluation-Group	( 575,934)	-	( 575,934)
Disposals transferred to retained earnings - Group	( 4,815)	-	( 4,815)
At December 31, 2022	\$ 1,184,333	(\$ 48)	\$ 1,184,285

## (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
<b>December 31, 2023</b>			
<b>Assets</b>			
Accounts receivable, net (including related parties)	\$ 458,054	\$ 158,035	\$ 616,089
Contract assets	515,314	21,227	536,541
Inventories	853,805	5,695,574	6,549,379
	<u>\$ 1,827,173</u>	<u>\$ 5,874,836</u>	<u>\$ 7,702,009</u>
<b>Liabilities</b>			
Contract liabilities	\$ 78,649	\$ 221,387	\$ 300,036
Accounts payable	308,271	732,035	1,040,306
Long-term notes and accounts payable	-	11,456	11,456
	<u>\$ 386,920</u>	<u>\$ 964,878</u>	<u>\$ 1,351,798</u>

	Within 12 months	Over 12 months	Total
<b>December 31, 2022</b>			
<b>Assets</b>			
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>
<b>Liabilities</b>			
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>

## (24) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	\$ 7,929,189	\$ 12,233,824
Other - rental revenue	556,040	534,954
	<u>\$ 8,485,229</u>	<u>\$ 12,768,778</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:

Year ended	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
<b>December 31, 2023</b>						
Revenue from external customer contracts	\$ 347,693	\$ 4,227,820	\$ 2,761,454	\$ 283,278	\$ 308,944	\$ 7,929,189
Timing of revenue recognition						
At a point in time	\$ 347,693	-	909,935	-	-	1,257,628
Over time	-	4,227,820	1,851,519	283,278	308,944	6,671,561
	<u>\$ 347,693</u>	<u>\$ 4,227,820</u>	<u>\$ 2,761,454</u>	<u>\$ 283,278</u>	<u>\$ 308,944</u>	<u>\$ 7,929,189</u>
<b>Year ended</b>						
<b>December 31, 2022</b>						
Revenue from external customer contracts	\$ 6,905,142	\$ 2,973,669	\$ 1,735,398	\$ 277,167	\$ 342,448	\$ 12,233,824
Timing of revenue recognition						
At a point in time	\$ 6,905,142	-	704,167	-	-	7,609,309
Over time	-	2,973,669	1,031,231	277,167	342,448	4,624,515
	<u>\$ 6,905,142</u>	<u>\$ 2,973,669</u>	<u>\$ 1,735,398</u>	<u>\$ 277,167</u>	<u>\$ 342,448</u>	<u>\$ 12,233,824</u>

B. C Aggregate amount of the transaction price allocated to and the year expected to recognise revenue Aggregate amount of the transaction price allocated to and the year expected to recognise revenue

	Year expected to recognise revenue	Contracted amount
December 31, 2023	2024~2027	\$ 8,134,621
December 31, 2022	2023~2024	5,834,246

C. Contract assets and liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract assets - construction contracts	\$ 536,541	\$ 511,183	\$ 506,427
Contract liabilities:			
Contract liabilities - buildings and land sales contracts	\$ 13,496	\$ 37,349	\$ 1,032,712
Contract liabilities - construction contracts	286,540	372,421	95,588
Contract liabilities - Hotel operation contracts	153,244	151,434	152,748
Contract liabilities - BOT business	63,018	61,504	61,285
	\$ 516,298	\$ 622,708	\$ 1,342,333

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

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	\$ 37,349	\$ 1,011,288
Construction contracts	372,421	95,588
Hotel operation contracts	150,985	152,309
BOT business	61,504	61,285
	\$ 622,259	\$ 1,320,470

(25) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 47,450	\$ 14,511
Interest income from bonds and notes sold under repurchase agreement	34,478	5,232
Other interest income	776	540
	\$ 82,704	\$ 20,283

(26) Other income

	Years ended December 31,	
	2023	2022
Dividend income	\$ 75,267	\$ 215,755
Government grant revenue	420	2,632
Payables transferred to other income	111,986	123,320
Income from guarantee deposits forfeited due to a breach of contract	6,000	-
Insurance claim income	3,314	-
Income from rent concessions (Note)	-	3,731
Other income	47,914	48,242
	\$ 244,901	\$ 393,680

Note : Due to the impact of COVID-19 pandemic, the Group recognised rent concession income for the years ended December 31, 2023 and 2022. Refer to Note 6(9) for details.

(27) Other gains and losses

	Years ended December 31,	
	2023	2022
Net gains (losses) on financial assets at fair value through profit or loss	\$ 19,880	(\$ 616,019)
(Losses) gains on disposals of property, plant and equipment	( 2,202)	27,829
Others	( 788)	( 1,008)
	\$ 16,890	(\$ 589,198)

(28) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 122,162	\$ 116,010
Lease liability	114,895	119,618
Commercial paper	58	530
Corporate bond	110,021	94,177
Others	2,562	1,331
Other finance expenses	1,228	1,200
	350,926	332,866
Less : Capitalization of qualifying assets	( 3,218)	( 2,333)
	\$ 347,708	\$ 330,533



(29) Expenses by nature

	Year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 620,481	\$ 574,352	\$ 1,194,833
Labor and health insurance fees	61,159	60,136	121,295
Pension costs	29,426	27,256	56,682
Directors' remuneration	-	40,922	40,922
Other employee benefit expense	52,742	23,705	76,447
	<u>\$ 763,808</u>	<u>\$ 726,371</u>	<u>\$ 1,490,179</u>
Depreciation charges	<u>\$ 85,536</u>	<u>\$ 664,631</u>	<u>\$ 750,167</u>
Amortization charges	<u>\$ 61,253</u>	<u>\$ 976</u>	<u>\$ 62,229</u>
	Year ended December 31, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 613,499	\$ 647,689	\$ 1,261,188
Labor and health insurance fees	61,329	59,236	120,565
Pension costs	30,280	33,893	64,173
Directors' remuneration	-	62,645	62,645
Other employee benefit expense	31,291	25,334	56,625
	<u>\$ 736,399</u>	<u>\$ 828,797</u>	<u>\$ 1,565,196</u>
Depreciation charges	<u>\$ 85,433</u>	<u>\$ 674,139</u>	<u>\$ 759,572</u>
Amortization charges	<u>\$ 61,253</u>	<u>\$ 1,645</u>	<u>\$ 62,898</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 years ended December 31, 2023 and 2022, employees' compensation was accrued at \$65,366 and \$190,643, respectively; while directors' remuneration was accrued at \$22,238 and \$55,222, respectively. The aforementioned amounts were recognised in salary expenses. motivate morale and retain outstanding employees. Annual salary adjustments are based on the employees' position and performance assessment to determine the items and amounts for salary adjustments.

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 year ended December 31, 2023. The distributed amounts resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

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.

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

## (a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 68,527	\$ 129,764
Tax on undistributed surplus earnings	26,576	28,900
Prior year income tax underestimation	2,280	483
Land value increment tax recognised in income tax for the period	1,463	35,014
Total current tax	<u>98,846</u>	<u>194,161</u>
Deferred tax:		
Origination and reversal of temporary differences	( 120)	( 19,721)
Loss carryforward	41,852	( 48,196)
Total deferred tax	<u>41,732</u>	<u>( 67,917)</u>
Income tax expense	<u>\$ 140,578</u>	<u>\$ 126,244</u>

(b) The expense (benefit) tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Remeasurement of defined benefit plans	<u>(\$ 325)</u>	<u>\$ 913</u>

(c) Reconciliation between income tax expense and accounting profit : Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 145,113	\$ 313,680
Effect recognised from adjustments under tax regulations	( 34,854)	( 251,833)
Tax on undistributed surplus earnings	26,576	28,900
Over provision of prior year's income tax	2,280	483
Land revaluation increment tax	1,463	35,014
Income tax expense	<u>\$ 140,578</u>	<u>\$ 126,244</u>

B. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary difference:				
Employee benefits	\$ -	\$ -	\$ -	\$ -
Unused compensated absences	2,082	130	-	2,212
Loss on inventory	955	-	-	955
Tax losses	318,384	(41,852)	-	276,532
	<u>\$ 321,421</u>	<u>(\$ 41,722)</u>	<u>\$ -</u>	<u>\$ 279,699</u>
Deferred tax liabilities				
Temporary difference:				
Provision for land revaluation increment tax	\$ 278,101	\$ -	\$ -	\$ 278,101
Pensions	1,864	10	(325)	1,549
	<u>\$ 279,965</u>	<u>\$ 10</u>	<u>(\$ 325)</u>	<u>\$ 279,650</u>
	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary difference:				
Employee benefits	\$ 98	(\$ 98)	\$ -	\$ -
Unused compensated absences	1,977	105	-	2,082
Loss on inventory	486	469	-	955
Tax losses	270,188	48,196	-	318,384
	<u>\$ 272,749</u>	<u>\$ 48,672</u>	<u>\$ -</u>	<u>\$ 321,421</u>
Deferred tax liabilities				
Temporary difference:				
Provision for land revaluation increment tax	\$ 297,379	(\$ 19,278)	\$ -	\$ 278,101
Pensions	918	33	913	1,864
	<u>\$ 298,297</u>	<u>(\$ 19,245)</u>	<u>\$ 913</u>	<u>\$ 279,965</u>

C. Expiration dates of loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Subsidiaries - December 31, 2014 year ended	Amount assessed	\$ 31,519	\$ 6,304	2024
Subsidiaries - December 31, 2015 year ended	Amount assessed	7,876	1,575	2025
Subsidiaries - December 31, 2016 year ended	Amount assessed	11,668	2,334	2026
Subsidiaries - December 31, 2017 year ended	Amount assessed	29,524	5,905	2027
Subsidiaries - December 31, 2018 year ended	Amount assessed	15,630	3,126	2028
Subsidiaries - December 31, 2019 year ended	Amount assessed	217,537	5,847	2029
Subsidiaries - December 31, 2020 year ended	Amount assessed	723,685	51,505	2030
Subsidiaries - December 31, 2021 year ended	Amount filed	758,242	57,252	2031
Subsidiaries - December 31, 2022 year ended	Amount filed	371,660	28,536	2032
Subsidiaries - December 31, 2023 year ended	Estimated filing amount	16,060	3,212	2033
		<u>\$ 2,183,401</u>	<u>\$ 165,596</u>	

Year incurred	December 31, 2022			
	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Subsidiaries - December 31, 2013 year ended	Amount assessed	\$ 31,006	\$ 6,201	2023
Subsidiaries - December 31, 2014 year ended	Amount assessed	31,519	6,304	2024
Subsidiaries - December 31, 2016 year ended	Amount assessed	11,668	2,334	2026
Subsidiaries - December 31, 2017 year ended	Amount assessed	29,524	5,905	2027
Subsidiaries - December 31, 2018 year ended	Amount assessed	20,383	3,126	2028
Subsidiaries - December 31, 2019 year ended	Amount filed	441,230	5,847	2029
Subsidiaries - December 31, 2020 year ended	Amount filed	748,986	56,565	2030
Subsidiaries - December 31, 2021 year ended	Amount filed	757,835	57,254	2031
Subsidiaries - December 31, 2022 year ended	Estimated filing amount	373,120	28,732	2032
		<u>\$ 2,445,271</u>	<u>\$ 172,268</u>	

D. 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

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 592,617</u>	<u>1,622,671</u>	<u>\$ 0.37</u>
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 592,617	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,834	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 592,617</u>	<u>1,631,505</u>	<u>\$ 0.36</u>

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	\$ 0.91
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	19,838	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,475,037	1,642,509	\$ 0.90

(32) Supplemental cash flow information

Investing activities with no cash flow effects:

	Years ended December 31,	
	2023	2022
1. Buildings and land held for sale transferred to investment properties	\$ 11,410	\$ -
2. Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	\$ 3,635	\$ 1,905
3. Payments transferred to property, plant and equipment	\$ 28	\$ 86
4. Property, plant and equipment transferred to investment properties	\$ 1,391	\$ -
5. Bonds payable and long-term borrowings transferred to long-term liabilities, current portion	\$ 700,000	\$ 5,880,000

(33) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flow from financing activities	Changes in other non-cash items	December 31, 2023
Short-term borrowings	\$ 1,301,000	(\$ 470,000)	\$ -	\$ 831,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	4,500,000	( 480,000)	-	4,020,000
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	164,977	16,582	-	181,559
Lease liability	7,007,236	( 476,968)	331,752	6,862,020
Liabilities from financing activities - gross	\$ 18,281,514	(\$ 1,410,386)	\$ 331,752	\$ 17,202,880
	January 1, 2022	Changes in cash flow from financing activities	Changes in other non-cash items	December 31, 2022
Short-term borrowings	\$ 1,275,860	\$ 25,140	\$ -	\$ 1,301,000
Short-term notes and bills payable	250,000	( 250,000)	-	-
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	5,441,624	( 941,624)	-	4,500,000
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	164,542	435	-	164,977
Lease liability	7,422,173	( 449,986)	35,049	7,007,236
Liabilities from financing activities - gross	\$ 19,862,500	(\$ 1,616,035)	\$ 35,049	\$ 18,281,514



## 7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Company
Uni-President Development Corp. (Uni-President Development)	Associate
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associate
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) (Note)	Other related party
Man-Strong International Human Resources Recruitment Co., Ltd. (Man-Strong International) (Note)	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
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
ICASH Corp. (ICASH)	Other related party

Note : The subsidiary is no longer a related party as its general manager was re-elected in September 2023.

### (2) Significant related party transactions and balances

#### A. Sales of goods:

##### (a)

	Years ended December 31,	
	2023	2022
Construction subcontracting:		
– Uni-President Express	\$ 2,566,739	\$ 1,013,850
– Other related parties	44,471	41,964
	<u>\$ 2,611,210</u>	<u>\$ 1,055,814</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 December 31, 2023 and 2022, the status of the construction for the related parties undertaken by the Group was as follows:

	December 31, 2023	December 31, 2022
Uni-President Express:		
Total amount of construction contracts that were signed but had not been settled yet	\$ 5,910,600	\$ 4,500,000
Construction payments received	( 3,899,456)	( 1,495,636)
Construction payments receivable	<u>\$ 2,011,144</u>	<u>\$ 3,004,364</u>
President Chain Store:		
Total amount of construction contracts that were signed but had not been settled yet	\$ 698,857	\$ -
Construction payments received	( 69,800)	-
Construction payments receivable	<u>\$ 629,057</u>	<u>\$ -</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties:		
Total amount of construction contracts that were signed but had not been settled yet	\$ 140,318	\$ 59,341
Construction payments received	( 9,554)	( 47,180)
Construction payments receivable	<u>\$ 130,764</u>	<u>\$ 12,161</u>

(b)

	Years ended December 31,	
	2023	2022
Rental income:		
— President Chain Store	\$ 55,156	\$ 54,395
— Mech-President	24,930	-
— Other related parties	17,311	16,576
	<u>\$ 97,397</u>	<u>\$ 70,971</u>

Rent is determined by mutual agreements and is collected monthly.

(c)

	Years ended December 31,	
	2023	2022
Hospitality service income:		
— Uni-Wonder	\$ 9,673	\$ -
— Other related parties	2,752	289
	<u>\$ 12,425</u>	<u>\$ 289</u>

## B. Purchases and expenses

(a)

	Years ended December 31,	
	2023	2022
Construction subcontracting		
— Other related parties	\$ 465	\$ 137
Purchases of services		
— Other related parties	\$ 2,956	\$ 5,358

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)

	Years ended December 31,	
	2023	2022
Other related parties	<u>\$ 3,947</u>	<u>\$ 4,522</u>

## C. Accounts receivable

	December 31, 2023	December 31, 2022
Uni-President Express	\$ 395,799	\$ 337,346
Other related parties	8,274	4,496
	<u>\$ 404,073</u>	<u>\$ 341,842</u>

## D. Accounts payable

	December 31, 2023	December 31, 2022
Other related parties	<u>\$ 694</u>	<u>\$ 789</u>

## E. Accounts payable

Acquisition of property, plant and equipment:

	Years ended December 31,	
	2023	2022
Other related parties	<u>\$ 7,897</u>	<u>\$ -</u>

## F. Prepayment for equipment

	Years ended December 31,	
	2023	2022
Other related parties	<u>\$ 810</u>	<u>\$ -</u>

## G. Contract assets and liabilities

	December 31, 2023	December 31, 2022
Contract assets:		
Tone Sang	\$ 12,117	\$ -
Kao Chyuan Investment	-	10,928
Other related parties	1,845	-
	<u>\$ 13,962</u>	<u>\$ 10,928</u>
Contract liabilities:		
Uni-President Express	\$ 110,105	\$ 271,178
President Chain Store	65,246	-
Other related parties	6,828	723
	<u>\$ 182,179</u>	<u>\$ 271,901</u>

## H. 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:

	Years ended December 31,	
	2023	2022
President International Development	\$ 123,435	\$ -

## (c) Lease liabilities

## i. Outstanding balance:

	December 31, 2023	December 31, 2022
Lease liabilities - current:		
Uni-President Development	\$ 345,599	\$ 339,956
President International Development	23,965	7,480
	<u>\$ 369,564</u>	<u>\$ 347,436</u>
Lease liabilities - non-current:		
Uni-President Development	\$ 4,353,117	\$ 4,698,727
President International Development	82,816	-
	<u>\$ 4,435,933</u>	<u>\$ 4,698,727</u>

## ii. Interest expense:

	Years ended December 31,	
	2023	2022
Uni-President Development	\$ 74,232	\$ 79,329
President International Development	1,904	469
	<u>\$ 76,136</u>	<u>\$ 79,798</u>

## I. Lease transactions - lessor

The Group leases investment property to the other related party, Tone Sang, and had entered into lease contract in December 2023. The lease term is between January 1, 2024 and December 31, 2043. The Group had collected the guarantee deposits for lease amounting to \$14,825 (shown as guarantee deposits received) as of December 31, 2023.

## J. Others:

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

K. 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

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 51,996	\$ 59,781
Post-employment benefits	-	1,245
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 51,996</u>	<u>\$ 61,026</u>



## 8. PLEDGED ASSETS

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

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 680,816	\$ 665,422	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	81,285	80,317	Construction performance guarantees and long-term and short-term borrowings
Land held for construction site	1,256,536	1,256,536	Long-term and short-term borrowings and issuance of short-term notes and bills
Construction in progress	35,849	35,829	Long-term and short-term borrowings and issuance of short-term notes and bills
Financial assets at fair value through other comprehensive income	1,091,304	1,154,839	Short-term borrowings and issuance of long-term notes and bills
Investments accounted for under equity method	977,515	972,984	Long-term borrowings and issuance of long-term notes and bills
Land	2,793,467	2,793,467	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
Buildings	1,599,915	1,655,268	Long-term and short-term borrowings and issuance of short-term notes and bills
Investment property	4,621,630	4,685,006	Construction performance guarantees, long-term and short-term borrowings and issuance of short-term notes and bills
	<u>\$ 13,138,317</u>	<u>\$ 13,299,668</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	December 31, 2023		December 31, 2022	
	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
The Splendor Hospitality International Co. Ltd.,(Note)	<u>\$ 1,800,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,775,000</u>	<u>\$ 1,725,000</u>

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:

	December 31, 2023	December 31, 2022
Property, plant and equipment	<u>\$ 14,842</u>	<u>\$ 3,523</u>

(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 December 31, 2023 and 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 December 31, 2023 and 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 December 31, 2023 and 2022, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta Chen Construction & Engineering Corp., amounted to \$790,823 and \$415,470, 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.

(11) On December 15, 2023, the subsidiary, Prince Chong-De Industrial Corp. On December 15, 2023, the subsidiary, Prince Chong-De Industrial Corp. ("B party"), signed the "'Taichung City 31' Public Market BOT Project" investment contract (the "Contract") with the Taichung City Government ("A party"). The project is invested and constructed by B party. The ownership of the construction will be transferred to A party at the end of the operation period. The major terms of the Contract are as follows:

- A. The scope of the Contract is the construction, operation and transfer of the land required for the infrastructure of the "'Taichung City 31' Public Market BOT Project" and its auxiliary facilities and auxiliary businesses.
- B. The period of the Contract is 50 years from the signing date, including the 'construction period' (which shall be within 5 years from the signing date of the Contract) and the 'operation period' (which shall be 45 years from the start of operation and shall end on the date of expiration or termination of the permitted period). A party provided the superficies registered for the land on lot No. 1701 of Renmei Section, Beitun District, Taichung City ("Land for the project") to B party to conduct the Contract.
- C. B party shall pay land rent of the project to A party semi-annually from the signing date of the Contract to the expiration or termination date of the Contract. For the land rent, related matters are governed according to the 'Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects' and price is calculated according to the amendments to the aforementioned regulation. When the land price adjustment is announced, the land rent will be adjusted accordingly from the date of the land price adjustment. The land rent is payable semi-annually. B party shall pay 50% of the land rent for the year to A party before January 31 and July 31 every year. However, the land rent for the first year shall be paid for the semi-annual period to A party within 10 days from the signing date of the Contract; and if the period is less than half a year, the amount shall be calculated based on the proportion of the total number of days in that half year.
- D. The royalties that B party shall pay according to the Contract are as follows:
  - (a) Development royalties
 

The development royalties of the Contract amounted to NT\$50 million and can be paid in 3 installments (years) after signing.

As of December 31, 2023, the Company had paid \$17,000 according to the Contract and had not paid \$33,000.
  - (b) Fixed royalties
 

B party shall pay the first installment of the fixed royalties amounting to NT\$3 million to A

party within 10 days from the the start of operation. The calculation method is: fixed royalties x the proportion of actual operation days from the start of operation to December 31 for the year. Starting from the second installment, B party shall pay the fixed royalties for the year to A party before January 31 every year. In the last year of operation, the fixed royalties shall be calculated in proportion to the number of days from January 1 for the year to the expiration date of the operation period.

(c) Operation royalties

B party shall calculate the amount of operation royalties according to 0.35% of the total operating revenue and pay the operation royalties for the prior year to A party before July 31 every year during the operation period. The operation royalties for the first year are calculated from the start of operation to December 31 for the year.

- E. The expiry period of B party's performance guarantee shall continue until the termination or expiration of the Contract, 6 months after B party completes the transfer and return of assets and there are no pending matters. B party shall provide performance guarantee deposits amounting to NT\$30 million before the scheduled signing date as a guarantee for the performance of all contractual obligations during the contract period of the project. For the aforementioned performance guarantee deposits, B party shall apply to A party for releasing part of the obligation of the performance guarantee deposits based on the agreed schedule if it has no default and deficiencies and A party shall return the remaining performance guarantee deposits with no interest bearing to B party after the deposit amount is fully settled. As of December 31, 2023, the subsidiary, Prince Chong-De Industrial Corp., had pledged time deposits amounting to \$30,000 (shown as 'non-current financial assets at amortised cost') as collateral.
- F. B party shall transfer all the existing operating assets owned by it and for operating the project continuously when the Contract expired. B party shall remove all burdens and other legal restrictions on the transfer object when the contract period expired and transfer the transfer object to A party without consideration before the expiration of the Contract. Both parties shall complete the transfer the period of the Contract expired.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of 2023 earnings as resolved by the Board of Directors of the Company on March 4, 2024 is provided in Note 6(21).

## 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

	December 31, 2023	December 31, 2022
<b>Financial assets</b>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 3,119,391	\$ 4,077,864
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	2,815,770	2,318,365
Financial assets at amortised cost		
Cash and cash equivalents	8,350,801	9,999,828
Financial assets at amortised cost	2,780,375	1,790,238
Notes receivable	42,048	19,372
Accounts receivable (including related parties)	753,299	787,758
Other receivables	15,345	4,374
Refundable deposits	127,115	142,086
	<u>\$ 18,004,144</u>	<u>\$ 19,139,885</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 831,000	\$ 1,301,000
Notes payable	463	1,597
Accounts payable (including related parties)	1,168,473	1,475,835
Other payables	602,047	779,359
Bonds payable (including current portion)	4,500,000	4,500,000
Long-term borrowings (including current portion)	4,020,000	4,500,000
Long-term notes and accounts payable	808,301	808,301
Guarantee deposits received	181,559	164,977
	<u>\$ 12,111,843</u>	<u>\$ 13,531,069</u>
Lease liability	<u>\$ 6,862,020</u>	<u>\$ 7,007,236</u>

## B. Financial risk management policies

- (c) 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 years ended December 31, 2023 and 2022 would have increased/decreased by \$311,939 and \$407,786, 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 \$281,577 and \$231,837, 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 years ended December 31, 2023 and 2022 would have been \$4,851 and \$5,801 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).

Cash flow and fair value interest rate risk

- 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>December 31, 2023</u>						
Expected loss rate	0.01%	10.00%	25.00%	50.00%	100.00%	
Total book value of accounts receivable	\$ 743,567	\$ 9,143	\$ 536	\$ 142	\$ 725	\$ 754,113
Total book value of contract assets	\$ 536,541	\$ -	\$ -	\$ -	\$ -	\$ 536,541
Loss allowance	\$ 117	\$ 382	\$ 1	\$ -	\$ 314	814
<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

- 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	45	-	511	-
Derecognised	(6)	-	-	-
At December 31	\$ 814	\$ -	\$ 775	\$ -

- 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.

	December 31, 2023		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 842,812	\$ -	\$ -
Notes payable	463	-	-
Accounts payable	436,438	732,035	-
Other payables	601,727	-	320
Lease liability	582,072	1,038,756	5,849,396
Guarantee deposits received	118,326	22,316	40,917
Bonds payable (including current portion)	-	-	4,570,100
Long-term borrowings (including current portion)	715,663	328,753	3,286,111
Long-term notes and accounts payable	-	11,456	796,845

	December 31, 2022		
	Within 1 year	Between 1 to 3 years	Over 3 years
<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

- 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 December 31, 2023 and 2022 are as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$3,119,391	\$ -	\$ -	\$3,119,391
Financial assets at fair value through other comprehensive income				
Equity securities	1,360,115	-	1,455,655	2,815,770
	<u>\$4,479,506</u>	<u>\$ -</u>	<u>\$1,455,655</u>	<u>\$5,935,161</u>
<u>December 31, 2022</u>				
<u>Assets</u>				
<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	1,028,884	-	1,289,481	2,318,365
	<u>\$5,106,748</u>	<u>\$ -</u>	<u>\$1,289,481</u>	<u>\$6,396,229</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:

	Listed shares	Open-end fund
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 years ended December 31, 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 years ended December 31, 2023 and 2022:

	2023	2022
	Equity instruments without active market	Equity instruments without active market
At January 1	\$ 1,289,481	\$ 1,485,689
Gain (loss) recognised in other comprehensive income (Note)	166,174	(213,298)
Acquired in the year	-	21,905
Sold in the period	-	(4,815)
At December 31	\$ 1,455,655	\$ 1,289,481

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

G. For the years ended December 31, 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 December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity Unlisted shares	\$ 1,455,655	Market comparable companies	EV / EBITDA	9.63-12.33	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

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:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	1,455,655	±1%	\$ -	\$ -	\$ 14,557	(\$ 14,557)
			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	1,289,481	±1%	\$ -	\$ -	\$ 12,895	(\$ 12,895)

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- 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.
- Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- 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.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- Trading in derivative instruments undertaken during the reporting periods: None.
- 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.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	Year ended December 31, 2023				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 4,575,513	\$ 3,344,144	\$ 565,572	\$ -	\$ 8,485,229
Internal operating revenue-net	5,273	-	65,803	( 71,076)	-
Total segment revenue	4,580,786	3,344,144	631,375	-	8,485,229
Costs and expenses	( 4,783,328)	( 2,725,600)	( 432,499)	83,815	( 7,857,612)
Segment (loss) income	( 202,542)	618,544	198,876	12,739	627,617
Interest income	56,071	12,725	14,173	( 265)	82,704
Other income	237,028	11,002	5,411	( 8,540)	244,901
Other gains and losses	18,104	( 1,981)	767	-	16,890
Finance costs	( 167,246)	( 180,745)	( 145)	428	( 347,708)
Share of profit of associates and joint ventures accounted for under the equity method	470,174	-	31,028	( 400,041)	101,161
Income from continuing operations before tax	411,589	459,545	250,110	( 395,679)	725,565
Income tax expense	( 98,437)	( 45,079)	2,938	-	( 140,578)
Net income for the period	\$ 313,152	\$ 414,466	\$ 253,048		\$ 584,987
Segment assets	\$ 37,216,357	\$ 13,029,032	\$ 1,638,143	( 5,632,680)	\$ 46,250,852
Segment liabilities	\$ 9,149,826	\$ 11,562,958	\$ 233,287	( 671,751)	\$ 20,274,320

Item	Year ended December 31, 2022				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 9,878,811	\$ 2,298,697	\$ 591,270	\$ -	\$ 12,768,778
Internal operating revenue-net	322	-	75,575	( 75,897)	-
Total segment revenue	9,879,133	2,298,697	666,845		12,768,778
Costs and expenses	( 8,138,488)	( 2,319,087)	( 456,453)	117,848	( 10,796,180)
Segment (loss) income	1,740,645	( 20,390)	210,392		1,972,598
Interest income	11,384	4,833	4,066	-	20,283
Other income	384,888	29,761	3,499	( 24,468)	393,680
Other gains and losses	( 587,798)	( 1,464)	64	-	( 589,198)
Finance costs	( 156,604)	( 173,835)	( 94)	-	( 330,533)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	114,716	-	20,227	( 33,373)	101,570
Income (loss) from continuing operations before tax	1,507,231	( 161,095)	238,154		1,568,400
Income tax (expense) benefit	( 173,674)	45,878	1,552	-	( 126,244)
Net income (loss) for the period	\$ 1,333,557	( \$ 115,217)	\$ 239,706		\$ 1,442,156
Segment assets	\$ 39,241,892	\$ 13,264,859	\$ 1,274,123	( 5,827,060)	\$ 47,953,814
Segment liabilities	\$ 10,596,385	\$ 11,990,069	\$ 53,330	( 670,317)	\$ 21,969,467

(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).

(5) Information on products and services

The Chief Operating Decision-Maker considers the business from a product type perspective. Information about products is provided in Notes 6(24) and 14(3).

(6) Geographical information

The Group operates mainly in Taiwan and it has no external customer revenue from other regions.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Segment	Revenue	Segment
Customer A	\$ 2,566,739	Construction	\$ 1,013,850	Construction

Prince Housing & Development Corp.

Loans to others

Year ended December 31, 2023

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	financing	Additional operating capital	Allowance for accounts	Collateral	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
0	Prince Housing & Development Corp.	Prince Industrial Corp.	Other receivables - related parties	Y	\$ 100,000	\$ 100,000	\$ -	2.7	Short-term financing	\$ -	-	-	\$ -	-	\$ 500,000	\$ 10,288,818	Note 2
0	Prince Housing & Development Corp.	Prince Chong De Industrial Corp.	Other receivables - related parties	Y	200,000	200,000	-	2.7	Short-term financing	-	-	-	-	-	500,000	10,288,818	Note 2
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	Other receivables - related parties	Y	100,000	100,000	-	2.7	Short-term financing	-	-	-	-	-	500,000	10,288,818	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: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Ta-Chen Construction & Engineering Corp. "Procedures for Provision of Loans" are as follows:

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.

Table 1, Page 1

Prince Housing & Development Corp.

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Party being endorsed/guaranteed		Expressed in thousands of NTD (Except as otherwise indicated)										
Number (Note 1)	Endorser/ guarantor	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Amount of		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 to the party in Mainland China	Footnote
						Actual amount drawn down	endorsements/ guarantees secured with collateral					
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd	\$ 5,144,409	\$ 3,350,000	\$ 1,800,000	\$ 1,700,000	\$ -	7%	\$ 12,861,023	Y	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.

Table 2, Page 1

**Prince Housing & Development Corp.**  
**Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)**  
**December 31, 2023**

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by Prince Housing & Development Corp.	Marketable securities	Name of investee companies	Relationship with the securities issuer	As of December 31, 2023					Footnote
				General ledger account	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	18,474,988	\$ 694,659	Note 1	\$ 37.60	Listed company
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	623,196	Note 1	26.40	Listed company
	Stock	Simple Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	32,067	Note 1	420.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	13,370	Note 1	9.55	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	799	Note 1	16.41	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,596,336	251,845	Note 1	97.00	
	Stock	President International Development Corp.	Other related party	Non-current financial assets at fair value through other comprehensive income	87,745,770	928,960	6.63%	10.59	Note 3
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	81,285	-	12.90	Note 4
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	56,475,870	918,224	-	16.26	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	29,597,708	507,491	-	17.15	
Cheng-Shi Investment Holdings Co., Ltd. Ta Chen Construction & Engineering Corp.	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	43,837,859	565,022	-	12.89	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,775,631	30,445	-	17.15	
	Fund	Yuantai De- Bao Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,878,650	60,237	-	12.35	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	23,317,460	300,536	-	12.89	
	Stock	Nanmat Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	2,417,483	90,897	Note 1	37.60	Listed company
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,371,342	230,012	Note 1	97.00	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,758,757	91,673	-	17.15	
	Stock	Prince Housing & Development Corp.	Parent company	Non-current financial assets at fair value through other comprehensive income	655,424	7,275	Note 1	11.10	Listed company
	Stock	Taiwan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	1,931	Note 1	15.80	Listed company
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	316,176	30,669	Note 1	97.00	
Cheng-Shi Construction Co., Ltd. Prince Apartment Management & Maintenance Co., Ltd.	Fund	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,172,949	24,587	-	11.32	
	Fund	Tashin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,164,808	72,000	-	13.94	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,802,705	58,000	-	15.25	
	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	7,305	Note 1	37.60	Listed company
	Stock	Sung Ging Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	957	Note 1	19.95	OTC company
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,833,005	268,515	-	12.89	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,916,654	50,479	-	12.89	

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.

Note 5: The liquidation of the investee was completed in March 2022, and thus the number of shares in the investee was derecognised.

Table 3, Page 1

**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 Year ended December 31, 2023**

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 December 31, 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.	Allianz Global Investors Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	47,391,936	\$ 795,684	-	\$ -	(	17,794,228)	\$ 302,552)	\$ 163	29,597,708	\$ 493,132
Prince Housing & Development Corp.	Nantex Industry Co., Ltd.	Non-current financial assets at fair value through other comprehensive income	-	-	10,694,988	396,249	7,780,000	270,162	-	-	-	-	18,474,988	694,659
Ta Chen Construction & Engineering Corp.	Nantex Industry Co., Ltd.	Financial assets at fair value through profit or loss - current	-	-	10,197,483	377,816	-	-	(	7,780,000)	( 269,966)	( 18,283)	2,417,483	90,897
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)	( 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 NT\$300 million or 20% of paid-in capital or more.

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

Table 4, Page 1



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 Year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
		Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	
Ta Chen Construction & Engineering Corp.	Uni-President Express Corp.	Other related parties	Sales	\$ 2,566,739	30%	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.	\$ 395,799	50%

Table 5, Page 1

Prince Housing & Development Corp.  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Overdue			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
				Turnover rate	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.	Other related parties	-accounts receivable 395,799	6.56	-	-	255,488	-

Table 6, Page 1

**Prince Housing & Development Corp.**  
**Significant inter-company transactions during the reporting periods Year ended December 31, 2023**

Table 7

Expressed in thousands of NT\$  
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	\$ 1,800,000	In accordance with endorsement and guarantee procedures	3.89%
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	1.24%
0	Prince Housing & Development Corp.	Prince Chong-Da Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	200,000	In accordance with the Procedures for Provision of Loans	0.43%
0	Prince Housing & Development Corp.	Prince Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%
0	Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%
0	Prince Housing & Development Corp.	Ta Chen Construction & Engineering Corp. (Note5)	Note5	Non-current financial assets at fair value through other comprehensive income	270,162	In accordance with the regulations of Taiwan Stock Exchange	0.58%
1	Ta Chen Construction & Engineering Corp.	Prince Housing & Development Corp. (Note5)	Note5	Non-current financial assets at fair value through profit or loss	269,966	In accordance with the regulations of Taiwan Stock Exchange	0.58%

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

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

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

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

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

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

Note 5: For the year ended December 31, 2023, 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 \$270,162 (including \$196 of transaction fee) by using the block pairs trades through Taiwan Stock Exchange.

Table 7, Page 1

**Prince Housing & Development Corp.**  
**Information on investees**  
**Year ended December 31, 2023**

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023		Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)				
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	\$ 1,146,925	\$ 1,146,925	149,365,000	100.00%	\$ 1,504,759	\$ 151,890	\$ 156,055	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,380	100.00%	260,105	( 10,920)	( 10,824)	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	309,262	45,232	13,570	-
	Prince Housing Investment Corp.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	658,878	44,587	44,587	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,173,018	189,843	56,953	Note 4
	The Splendor Hospitality International Co., Ltd.	Taiwan	Hotels and catering	325,000	325,000	32,500,000	50.00%	252,083	( 15,449)	( 7,675)	Notes 2
	Jin-Yi-Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	( 289,860)	( 118)	( 118)	Notes 2
	Prince Industrial Corp.	Taiwan	Development of public housing and building	450,000	300,000	45,000,000	100.00%	446,965	( 2,154)	( 2,154)	Note 2 and 5
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	599,773	13,852	13,537	Notes 1 and 2
	Times Square International Holding Company	Taiwan	General investment	373,570	420,270	57,430,000	100.00%	961,908	206,632	206,632	Notes 2 and 6
	Ta Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	122,616,762	100.00%	1,321,732	151,886	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	30,989	( 6,807)	-	Notes 2 and 3
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	201,500	5,969	-	Notes 2 and 3
Prince Housing Investment Corp.	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	23,696	10,611	-	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	413,536	103,043	-	Note 3

Table 8, Page 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023		Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value		
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management & Maintenance Co., Ltd.	Taiwan	Management of apartments	\$ 67,853	\$ 67,853	3,000,000	100.00%	\$ 40,834	\$ 1,331	-
Prince Real Estate Co., Ltd. Times Square International Holding Company	Prince Security & Guard Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	169,340	( 12,577)	-
	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	304,289	304,289	21,525,020	45.21%	( 140,797)	( 861)	Note 3
	Times Square International Hotel Corp.	Taiwan	Hotels and catering	460,770	460,770	54,750,000	100.00%	721,884	173,085	-
Prince Industrial Corp.	Times Square International Stays Corp.	Taiwan	Hotels and catering	100,000	225,500	10,000,000	100.00%	133,514	33,700	-
	Prince Chong-De Industrial Corp.	Taiwan	Development of public housing and building	200,000	-	20,000,000	100.00%	199,702	( 298)	-
	Prince Da-Li-Yi Industrial Corp.	Taiwan	Development of public housing and building	150,000	-	15,000,000	100.00%	149,919	( 81)	-

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

Note 2: Subsidiary.

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

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

Note 5: The investee increased its capital amounting to \$150,000 by issuing new shares of 15 million shares for the year. The face value and issuance price were both NT\$10 (in dollars)

Note 6: The investee reduced \$46,700 of its capital to cover accumulated deficit by retiring 4,670 thousand issued shares. The Company's investment has been reduced according to its shareholding ratio.

Table 8, Page 2

### Prince Housing & Development Corp.

#### Major shareholders information

December 31, 2023

December 31, 2023

Table 9

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

Table 9, Page 1



## PRINCE HOUSING & DEVELOPMENT CORP.

### PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORT

DECEMBER 31, 2023 AND 2022

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

## INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

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

### *Opinion*

We have audited the accompanying balance sheets of Prince Housing & Development Corp. (the “Company”) as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### *Basis for opinion*

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company’s 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company’s 2023 financial statements are stated as follows:

### **The accuracy of building and land sales revenue recognition timing**

#### Description

Please refer to Note 4(30) for accounting policies on sales revenue, and Note 6(23) for details.

The Company recognises building and land sales revenue and profit or loss upon the transfer of ownership and turnover of the property. Since the Company has diverse customers, the information delivery and recording process between segments in the Company usually involve manual processes, and thus may result in inappropriate timing of revenue recognition around the balance sheet date. Considering that the building

and land sales revenue comprise most of the Company's operating revenue, we identified the accuracy of building and land sales revenue recognition timing as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding and assessed the reasonableness of internal controls on building and land sales revenue, and tested whether the process of building and land sales revenue recognition timing had been executed effectively, including verifying documents related to the date of ownership transfer and property handover and the accuracy of recognition timing..
- B. We performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, house ownership certificate and customer signed receipts for the turnover of property to confirm that the timing of the building and land sales revenue recognition was appropriate.

#### **Investments accounted for under equity method-Ta Chen Construction & Engineering Corp., which was held through subsidiary, Cheng-Shi Investment Holdings Co., Ltd.-recognition of construction revenue-the stage of completion estimate**

##### Description

Please refer to Note 4(14) for accounting policies on investments accounted for under equity method, and Note 6(7) for details.

Ta Chen Construction & Engineering Corp., which was held by the Company through subsidiary, Cheng-Shi Investment Holdings Co., Ltd., was recognised as a significant company since the financial performance of Ta Chen Construction & Engineering Corp. had a material effect on the Company's financial statements.

Ta Chen Construction & Engineering Corp. provided property construction related services. During the duration of a contract, the recognition of revenue is based on the stage of completion of a contract. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. Aforementioned estimated total contract costs were based on contract budget details compiled by owner's design drawing, considering the changes in construction scale caused by additional or less work, and the price fluctuations in the recent market to estimate the contract work, overhead and relevant costs.

As the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, and the estimate of total cost affects the stage of completion and the recognition of construction revenue, thus we consider the reasonableness of the stage of completion which was applied on construction revenue recognition as above mentioned as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. We obtained an understanding of the nature of business and industry of Ta Chen Construction & Engineering Corp. and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating each construction cost and overhead, and the consistency of applying the estimation method.
- B. We assessed and tested the internal controls which would affect the changes of estimated total cost of Ta

Chen Construction & Engineering Corp., including verifying the evidence of additional or less work and constructions.

- C. We inspected the constructing site accompanied by the supervisor and other appropriate staff of Ta Chen Construction & Engineering Corp. at the end of the reporting period to assess the reasonableness of the stage of completion method result.
- D. We obtained Ta Chen Construction & Engineering Corp.'s details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion.

#### ***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$758,877 thousand and NT\$752,483 thousand, constituting 2.26% and 2.17% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive (loss) income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$44,019 thousand and NT\$44,638 thousand, constituting 5.41% and 4.90% of the total comprehensive income for the years then ended, respectively.

#### ***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

#### ***Auditors' responsibilities for the audit of the financial statements***

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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WANG, CHUNG-KAI

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Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan  
March 4, 2024

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The accompanying parent company only 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 parent company only financial statements and independent auditors' 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.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,671,877	20	\$ 8,440,159	24
1110	Financial assets at fair value through profit or loss - current	6(2)	1,990,737	6	2,268,463	7
1136	Current financial assets at amortised cost	6(4)	953,068	3	-	-
1150	Notes receivable, net	6(5)	42,004	-	19,323	-
1170	Accounts receivable, net	6(5)	2,345	-	3,621	-
1200	Other receivables		10,887	-	914	-
130X	Inventories, net	6(6), 7 and 8	6,161,869	18	6,434,334	19
1410	Prepayments		38,382	-	40,655	-
11XX	Total current Assets		15,871,169	47	17,207,469	50
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	81,285	-	80,317	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3), 7 and 8	2,544,896	8	2,077,331	6
1535	Non-current financial assets at amortised cost	6(4) and 8	432,877	1	486,679	2
1550	Investments accounted for under equity method	6(7) and 8	6,166,751	18	6,358,157	18
1600	Property, plant and equipment, net	6(8) and 8	467,700	1	471,285	1
1755	Right-of-use assets	6(9) and 7	183,078	1	89,517	-
1760	Investment property, net	6(11) and 8	5,335,517	16	5,408,671	16
1780	Intangible assets, net	6(12)	1,810,416	6	1,871,669	5
1920	Refundable deposits		7,603	-	7,672	-
1990	Other non-current assets	7	636,640	2	636,640	2
15XX	Total non-current assets		17,666,763	53	17,487,938	50
1XXX	Total assets		\$ 33,537,932	100	\$ 34,695,407	100

PRINCE HOUSING & DEVELOPMENT CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 811,000	2	\$ 1,271,000	4
2130	Current contract liabilities	6(23)	76,953	-	96,682	-
2150	Notes payable		-	-	963	-
2170	Accounts payable		163,813	1	317,416	1
2180	Accounts payable to related parties	7	4,453	-	7,313	-
2200	Other payables		208,573	1	397,950	1
2230	Current income tax liabilities		15,011	-	23,309	-
2280	Current lease liabilities	7	30,865	-	13,509	-
2310	Receipts in advance		42,601	-	31,807	-
2320	Long-term liabilities, current portion	6(14)(15) and 8	700,000	2	2,930,000	9
2399	Other current liabilities		21,329	-	46,456	-
21XX	Total current Liabilities		2,074,598	6	5,136,405	15
Non-current liabilities						
2530	Bonds payable	6(14)	4,500,000	13	2,000,000	6
2540	Long-term borrowings	6(15) and 8	420,000	1	1,120,000	3
2550	Provisions for liabilities - non-current	6(16)	174,491	1	165,984	1
2580	Non-current lease liabilities	7	159,028	-	81,420	-
2640	Net defined benefit liabilities, non-current	6(17)	26,732	-	27,428	-
2645	Guarantee deposits received		171,177	1	154,667	-
2670	Other non-current liabilities	6(7)	289,860	1	289,743	1
25XX	Total non-current liabilities		5,741,288	17	3,839,242	11
2XXX	Total Liabilities		7,815,886	23	8,975,647	26
Equity						
	Share capital	6(18)				
3110	Common stock		16,233,261	48	16,233,261	47
	Capital surplus	6(19)				
3200	Capital surplus		2,260,513	7	2,260,513	6
	Retained earnings	6(20)				
3310	Legal reserve		2,536,541	8	2,387,299	7
3350	Unappropriated retained earnings		3,281,381	10	3,655,405	11
	Other equity interest	6(21)				
3400	Other equity interest		1,411,353	4	1,184,285	3
3500	Treasury stocks	6(18)	( 1,003)	-	( 1,003)	-
3XXX	Total equity		25,722,046	77	25,719,760	74
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 33,537,932	100	\$ 34,695,407	100

The accompanying notes are an integral part of these parent company only financial statements.

**PPRINCE HOUSING & DEVELOPMENT CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**EARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Total sales revenue	6(23) and 7	\$ 1,171,918	100	\$ 6,761,955	100
5000 Total operating costs	6(6)(11)(28) and 7	( 419,203 )	( 36 )	( 4,463,405 )	( 66 )
5900 Gross profit from operations		752,715	64	2,298,550	34
Operating expenses	6(28) and 7				
6100 Selling expenses		( 3,350 )	-	( 144,981 )	( 2 )
6200 Administrative expenses		( 663,762 )	( 57 )	( 816,985 )	( 12 )
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 6 )	-	-	-
6000 Total operating expenses		( 667,118 )	( 57 )	( 961,966 )	( 14 )
6900 Operating profit		85,597	7	1,336,584	20
Non-operating income and expenses					
7100 Total interest income	6(24)	52,230	5	9,699	-
7010 Total other income	6(25)	187,097	16	240,753	3
7020 Other gains and losses, net	6(2)(26)	25,949	2	47,581	1
7050 Finance costs, net	6(6)(27)	( 166,447 )	( 14 )	( 154,773 )	( 2 )
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)				
7000 Total non-operating income and expenses		470,563	40	115,029	2
7900 Profit from continuing operations before tax		569,392	49	258,289	4
7950 Income tax expense	6(29)	( 654,989 )	( 56 )	( 1,594,873 )	( 24 )
8000 Profit from continuing operations		( 62,372 )	( 6 )	( 119,836 )	( 2 )
8200 Profit		592,617	50	1,475,037	22
Other comprehensive income		592,617	50	1,475,037	22
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains on remeasurements of defined benefit plans	6(17)	( \$ 4,380 )	-	\$ 10,627	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)				
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(21)	197,474	17	( 445,140 )	( 7 )
8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss		28,238	2	( 128,850 )	( 2 )
8300 Total other comprehensive income (loss)		221,332	19	( 563,363 )	( 9 )
8500 Total comprehensive income		\$ 221,332	19	( \$ 563,363 )	( 9 )
		\$ 813,949	69	\$ 911,674	13
Basic earnings per share	6(30)				
9750 Total basic earnings per share		\$ 0.37		\$ 0.91	
9850 Total diluted earnings per share		\$ 0.36		\$ 0.90	

**PPRINCE HOUSING & DEVELOPMENT CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year 2022		Year 2023	
		Balance at January 1	Profit	Balance at January 1	Profit
Other comprehensive income (loss)	6(3)(17)(21)				
Total comprehensive income (loss)					
Appropriations and distribution of 2021 earnings:					
Legal reserve					
Cash dividends					
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(20)				
Balance at December 31	6(3)(17)(21)				
Year 2022					
Balance at January 1					
Profit					
Other comprehensive (loss) income					
Total comprehensive income					
Appropriations and distribution of 2022 earnings:					
Legal reserve					
Cash dividends					
Balance at December 31	6(20)				

The accompanying notes are an integral part of these parent company only financial statements.

RINCE HOUSING & DEVELOPMENT CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>ASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 654,989	\$ 1,594,873
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(26)	( 25,978 )	( 18,914 )
Share of profit of associates and joint ventures accounted for under equity method	6(7)	( 470,563 )	( 115,029 )
Gain on disposal of property, plant and equipment	6(26)	31	( 28,710 )
Property, plant and equipment transferred to expenses		10	-
Depreciation	6(8)(9)(11)(28)	137,865	134,563
Amortization	6(12)(28)	61,253	61,253
Interest expense	6(27)	166,447	154,773
Interest income	6(24)	( 52,230 )	( 9,699 )
Dividend income	6(3)(25)	( 51,509 )	( 118,784 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		302,736	558,334
Notes receivable	(	22,681 )	8,063
Accounts receivable		1,276	31,813
Other receivables	(	9,973 )	55,448
Inventories		261,055	4,301,822
Prepayments	(	1,277 )	13,543
Changes in operating liabilities			
Current contract liabilities	(	19,729 )	( 695,084 )
Notes payable	(	963 )	963
Accounts payable	(	153,603 )	( 229,491 )
Accounts payable to related parties	(	2,860 )	3,860
Other payables	(	198,576 )	32,155
Receipts in advance		10,794	3,040
Other current liabilities	(	25,127 )	( 89,104 )
Provisions for liabilities - non-current		8,507	29,480
Net defined benefit liabilities - non-current	(	5,076 )	( 11,065 )
Cash inflow generated from operations		564,818	5,668,103
Interest received		52,230	9,699
Cash dividends received		891,833	181,779
Interest paid	(	157,248 )	( 148,787 )
Income taxes paid	(	70,670 )	( 204,130 )
Net cash flows from operating activities		1,280,963	5,506,664

(Continued)

RINCE HOUSING & DEVELOPMENT CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in current financial assets at amortised cost - current		(\$ 953,068 )	\$ -
Acquisition of financial assets at fair value through other comprehensive income-non-current		( 270,162 )	( 139,603 )
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		-	27
Proceeds from returning fees of non-current financial assets at fair value through other comprehensive income		71	-
Decrease (increase) in financial assets at amortised cost non-current		53,802	( 27,152 )
Acquisition of investments accounted for under equity method	6(7)	( 150,000 )	( 750,000 )
Acquisition of property, plant and equipment	6(8)	( 13,259 )	( 21,846 )
Proceeds from disposal of property, plant and equipment		302	31,646
Decrease in refundable deposits		69	124
Net cash flows used in investing activities		( 1,332,245 )	( 906,804 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in short-term borrowings	6(32)	( 460,000 )	190,140
Decrease in short-term notes and bills payable	6(32)	-	( 100,000 )
Repayments of bonds	6(32)	( 2,500,000 )	( 2,000,000 )
Proceeds from issuance of bonds	6(32)	2,500,000	2,000,000
Repayment of long-term borrowings	6(32)	( 430,000 )	( 1,141,624 )
Proceeds from long-term borrowings	6(32)	-	300,000
(Decrease) increase in guarantee deposits received	6(32)	16,510	( 917 )
Payments of lease liabilities	6(32)	( 31,847 )	( 31,479 )
Cash dividends paid	6(20)	( 811,663 )	( 811,663 )
Net cash flows used in financing activities		( 1,717,000 )	( 1,595,543 )
Net (decrease) increase in cash and cash equivalents		( 1,768,282 )	3,004,317
Cash and cash equivalents at beginning of year		8,440,159	5,435,842
Cash and cash equivalents at end of year		\$ 6,671,877	\$ 8,440,159

The accompanying notes are an integral part of these parent company only financial statements.



**PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES NOTES TO**  
**THE PARENT COMPANY ONLY FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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

**1. HISTORY AND ORGANIZATION**

PPrince 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 DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These parent company only financial statements were authorized for issuance by the Board of Directors on March 4, 2024

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
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 Company’s financial condition and financial performance based on the Company’s assessment.

- (2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Company’s financial condition and financial performance based on the Company’s assessment.

- (3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
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 Company’s financial condition and financial performance based on the Company’s assessment.

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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

- (1) Compliance statement

These parent company only financial statements are prepared by the Company in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

These parent company only financial statements are prepared by the Company in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

- 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

- A. Foreign currency transactions and balances
- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
  - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
  - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
  - (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.
- B. Translation of foreign operations
- (a) The operating results and financial position of all the Company entities, associates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
    - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

- iii. All resulting exchange differences are recognized in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or jointly controlled entity, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate or jointly controlled entity after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional and the Group’s presentation currency.

- A. If assets and liabilities are related to the construction business, they are classified as current or non-current according to their operating cycle; if they are not related to the construction business, they are classified by annual basis.
- B. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- C. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time

deposits maturing within three months and bonds and notes with call back options that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

For financial assets at amortised cost, at each reporting date, the Company 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 Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories including “land held for construction”, “construction in progress”, and “buildings and land held for sale” are stated at cost and evaluated at the lower of cost or net realisable value at the end of period. The individual item approach is used in the comparison of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The interest costs related to construction in progress are capitalised during the construction.

(14) Investments accounted for using equity method / subsidiaries, associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) arising from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized



in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

- D. If changes in shareholdings in subsidiaries do not result to a loss on control (transaction with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.
- E. When the Company loses its control in a subsidiary, the Company revalues the remaining investment in the prior subsidiary at fair value, that fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture, and recognises the difference between fair value and book value in the profit or loss for the period. The accounting treatment on the previously recognized amount related to the subsidiary in other comprehensive income is the same as the basis if the Company directly disposes related assets or liabilities, which means if the Company has recognized gain or loss in other comprehensive income, the Company should reclassify the gain or loss on disposal of related assets or liabilities to profit or loss; and when the Company loses control in the subsidiary, the gain or loss should be reclassified from equity to profit or loss.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment

retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- N. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

#### (15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	50 ~ 60 years
Computer and communication equipment	5 years
Transportation equipment	5 years
Office equipment	5 ~ 10 years
Leasehold improvements	5 ~ 20 years
Other equipment	5 years

(16) Leasing arrangements (lessee)-right-of-use assets/ lease liabilities

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the initial measurement of lease liability.

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

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 44 ~ 60 years.

(18) Intangible assets

Intangible assets consist of service concession, which are stated at acquisition cost and amortised on a straight line basis over its useful life of 44 years.

(19) Impairment of non-financial assets The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

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

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

(21) Notes and accounts payable

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

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

(22) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

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

(25) Provisions

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

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

C. Employees' compensation and directors' and supervisors' remuneration

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

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the non-consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is

controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

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

(30) Revenue recognition

- A. Land development and resale
  - (a) The Company develops land and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. In addition, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed and the property and land have been transferred to the customer.
  - (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.
- B. Hospitality service revenue
 

The Company provides accommodation and food and beverage services. Revenue from providing accommodation services is recognised in the accounting period based on the stage of completion of the services. Revenue from providing food and beverage services is recognised when food and beverages are serviced to the customer.



## C. Service concession revenue

Information on service concession revenue is provide in Note 4(31).

## D. Rental revenue

The Company leases offices and dormitories. Rental revenue is recognised in profit or loss on a straight-line basis over the lease term.

## E. Incremental costs of obtaining a contract

The Company recognises an asset (shown as ‘other current assets’) the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Company recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognised as expenses.

(31) Service concession arrangements

- A. The Company was contracted by National Taiwan University (grantor) to provide construction for the government’s infrastructure assets for public services and operate those assets for Changxing St. Campus for 44 years and 6 months, and for Shuiyuan Campus for 44 years and 4 months after construction is completed. When the term of operating period expires, the underlying infrastructure assets will be transferred to National Taiwan University without consideration. The Company allocates the fair value of the consideration received or receivable in respect of the service concession arrangement between construction services and operating services provided based on their relative fair values, and recognises such allocated amounts as revenues in accordance with IFRS 15, ‘Revenue from contracts with customers’.
- B. Costs incurred on provision of construction services or upgrading services under a service concession arrangement are accounted for in accordance with IFRS 15, ‘Revenue from contracts with customers’.
- C. The consideration received or receivable from the grantor in respect of the service concession arrangement is recognised at its fair value. Such considerations are recognised as a financial asset or an intangible asset based on how the considerations from the grantor to the operator are made as specified in the arrangement. The Company recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services, and recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates 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 Company’s accounting policies

## Investment property

The Company 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 accounts for less insignificant portion of the property.

(2) Critical accounting estimates and assumptions

No 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.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	\$ 1,887	\$ 1,553
Checking accounts and demand deposits	3,145,750	4,937,807
Repurchase bonds	3,524,240	3,500,799
	<u>\$ 6,671,877</u>	<u>\$ 8,440,159</u>

- A. The Company 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 Company has high liquidity, so they were classified as cash equivalents.
- C. Details of trust fund of pre-sale construction and borrowings compensation account 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(24).
- (2) Financial assets at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 1,949,951	\$ 2,252,343
Valuation adjustments	40,786	16,120
	<u>\$ 1,990,737</u>	<u>\$ 2,268,463</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 76,000	\$ 76,000
Valuation adjustments	5,285	4,317
	<u>\$ 81,285</u>	<u>\$ 80,317</u>

A. The Company recognised net gain of \$25,978 and \$18,914 on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. Details of the Company'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	December 31, 2023	December 31, 2022
Non-current items:		
Designation of equity instrument		
Listed stocks	\$ 491,312	\$ 221,221
Unlisted stocks	888,599	888,723
	1,379,911	1,109,944
Valuation adjustment	1,164,985	967,387
	<u>\$ 2,544,896</u>	<u>\$ 2,077,331</u>

A. The Company 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 \$2,544,896 and \$2,077,331 as at December 31, 2023 and 2022, respectively.

B. For the year ended December 31, 2022, the unlisted company which was invested by the Group was liquidated, therefore, the Group reclassified accumulated gains of \$4,815 from other equity to retained earnings.

C. For the years ended December 31, 2023 and 2022, the Company acquired listed stocks from the Company's subsidiary, Ta Chen Construction & Engineering Corp., by using the block pairs trades through Taiwan Stock Exchange. Refer to Note 7(2) for details.

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:

	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 197,474	(\$ 445,140)
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,815
Dividend income recognised in profit or loss held at end of period	<u>\$ 51,509</u>	<u>\$ 118,784</u>

F. Details of the Company'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	December 31, 2023	December 31, 2022
Current items:		
Time deposits maturing in excess of three months	\$ 953,068	\$ -
Non-current items:		
Compensation account	<u>\$ 432,877</u>	<u>\$ 486,679</u>

A. As at December 31, 2023 and 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 Company was \$1,385,945 and \$486,679, respectively.

B. Details of the Company'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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 42,004	\$ 19,323
Accounts receivable	\$ 2,499	\$ 3,775
Less: Allowance for doubtful accounts	(154)	(154)
	<u>\$ 2,345</u>	<u>\$ 3,621</u>

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

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	\$ 42,004	\$ 2,246	\$ 19,323	\$ 3,272
Up to 30 days	-	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
Over 91 days	-	253	-	503
	<u>\$ 42,004</u>	<u>\$ 2,499</u>	<u>\$ 19,323</u>	<u>\$ 3,775</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2023, December 31, 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$0, \$250 and \$40,090, respectively.
- C. As at December 31, 2023 and 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 Company's notes receivable were \$42,004 and \$19,323, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$2,345 and \$3,621, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).
- E. The Company does not hold any collateral pledged for notes and accounts receivable.

#### (6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,141,461	(\$ 62,573)	\$ 5,078,888
Construction in progress	142,065	-	142,065
Buildings and land held for sale	720,557	( 10,037)	710,520
Prepayment for land	228,635	-	228,635
Merchandise	1,761	-	1,761
	<u>\$ 6,234,479</u>	<u>(\$ 72,610)</u>	<u>\$ 6,161,869</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 5,141,461	(\$ 62,573)	\$ 5,078,888
Construction in progress	135,950	-	135,950
Buildings and land held for sale	1,002,036	( 12,852)	989,184
Prepayment for land	228,635	-	228,635
Merchandise	1,677	-	1,677
	<u>\$ 6,509,759</u>	<u>(\$ 75,425)</u>	<u>\$ 6,434,334</u>

- A. The cost of inventories recognised as expense for the years ended December 31, 2023 and 2022 was \$271,217 and \$4,315,785, respectively, including the amounts of \$0 and \$4,845, respectively, that the Company wrote down from cost to net realisable value accounted for as cost of goods sold, as well as the amount of \$2,815 and \$0, respectively, that the Company 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 Company's inventories pledged to others as collateral are provided in Note 8.

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

	Years ended December 31,	
	2023	2022
Interest paid before capitalization	\$ 166,447	\$ 154,773
Interest capitalized	\$ -	\$ -
Annual interest rate used for capitalization	-	\$ -

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

- (a) Buildings and land in progress

	December 31, 2023	December 31, 2022
<u>Taipei branch</u>		
Bali Dist Chung Chang Section No.222 and 211-1, etc.	\$ 692,318	\$ 692,297
<u>Taichung branch</u>		
Beitun Dist. Rong-De Lot No.129, etc.	764,318	764,466
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	216,704	216,704
	<u>981,022</u>	<u>981,170</u>
<u>Tainan branch</u>		
Jin Hua Section No. 1361	689,322	689,315
Shan Chia Section No. 939, etc.	163,436	157,201
Others	3,738	3,738
	<u>856,496</u>	<u>850,254</u>
<u>Kaohsiung branch</u>		
Prince Cloud B (Ren Wu New Hougang West Section No .42, etc.)	\$ 364,370	\$ 364,370
Ren Wu New Hougang West Section No. 88 experimental house	72,933	72,933
	<u>437,303</u>	<u>437,303</u>
Total buildings and land in process	<u>\$ 2,967,139</u>	<u>\$ 2,961,024</u>



## (b) Land held for construction site

	December 31, 2023	December 31, 2022
<u>Taipei branch</u>		
Zhong Li Pu Ren Lot No. 720, etc.	\$ 140,156	\$ 140,156
Others	5,978	5,978
	<u>146,134</u>	<u>146,134</u>
<u>Taichung branch</u>		
Wu Feng Lot No. 365~855 etc.	175,661	175,661
Song Quan Lot No. 164 etc.	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513
Others	11,840	11,840
	<u>419,790</u>	<u>419,790</u>
<u>Tainan branch</u>		
Shan Zhong Lot No. 1468, No. 1475 & No. 1476 etc.	234,699	234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610
Bei An Section No. 54-3, etc.	28,317	28,317
Chin An Section No. 373~377	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325
Others	14,550	14,550
	<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
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357
Ren Wu Xiahai Section No. 642, No. 669 & 940, etc.	41,668	41,668
Da Hua Lot No. 434 & 436	13,923	13,923
	<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>

## (c) Buildings and land held for sale

	December 31, 2023	December 31, 2022
<u>Taipei branch</u>		
Prince Hua Wei	\$ 419,964	\$ 615,951
Prince Yuan	67,259	82,586
Prince Da Din	11,597	12,025
Prince W		18,542
Prince Pine Garden	-	8,258
	<u>498,820</u>	<u>737,362</u>
<u>Taichung branch</u>		
Prince Xian Heng	115,544	115,484
Prosperous New World	26,892	27,713
Prince Holiday Mansion	9,058	9,058
Others	6,118	6,118
	<u>157,612</u>	<u>158,373</u>

## (c) Buildings and land held for sale

<u>Tainan branch</u>		
Prince Golden Age	4,145	4,145
Jun Chan LV	4,081	19,725
Prince WIN2 Future	-	11,837
Others	2,292	2,292
	<u>10,518</u>	<u>37,999</u>
<u>Kaohsiung branch</u>		
Prince Castle (Townhouse)	30,132	30,132
Prince Cloud C Apartment	23,475	25,911
Cozy Prince Mansion	-	9,000
Prince Da Din	-	3,259
	<u>53,607</u>	<u>68,302</u>
Total buildings and land held for sale	<u>\$ 720,557</u>	<u>\$ 1,002,036</u>

## (d) Prepayment for land

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

## (7) Investments accounted for under equity method

A. Details of investments accounted for under the equity method are set forth below:

	December 31, 2023		December 31, 2022	
Name of subsidiaries and associates	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Uni-President Development Corp.	\$ 1,173,018	30.00%	\$ 1,167,581	30.00%
Cheng-Shi Investment Holdings Co., Ltd.	1,504,759	100.00%	1,323,732	100.00%
Times Square International Investment Holding Company (Note 1)	961,908	100.00%	755,276	100.00%
Prince Real Estate Co., Ltd.	599,773	99.68%	1,355,998	99.68%
Prince Housing Investment Corp.	658,878	100.00%	614,291	100.00%
Geng-Ding Co., Ltd.	309,262	30.00%	313,882	30.00%
The Splendor Hospitality International Co., Ltd.(Note 2)	252,083	50.00%	259,757	50.00%
Prince Property Management Consulting Co.	260,105	100.00%	268,521	100.00%
Jin-Yi-Xing Plywood Co., Ltd. (Note 3)	-	99.65%	-	99.65%
Prince Industrial Corp. (Note 4)	446,965	100.00%	299,119	100.00%
	<u>\$ 6,166,751</u>		<u>\$ 6,358,157</u>	

Note1: On November 13, 2023, the subsidiary, Times Square International Investment Holding Company, reduced its capital to cover accumulated deficit by decreasing paid-in capital of \$46,700 and retiring 4,670 thousand issued shares. The capital reduction ratio was approximately 7.5%. The Company's investment has been reduced according to its shareholding ratio.

On November 4, 2022, the Board of Directors of the Company resolved to participate in the capital reduction of the subsidiary, Times Square International Investment Holding Company, to cover accumulated deficit by decreasing paid-in capital of \$1,087,000 and retiring 108,700 thousand issued shares. The capital reduction ratio was approximately 77.8%. The Company's investment has been reduced according to its shareholding ratio. In addition, Times Square International Investment Holding Company increased its capital in the amount of \$310,000, consisting of 31,000 thousand shares, at the same time. The Company has subscribed to all of the shares according to its shareholding ratio.

Note 2: In addition, The Splendor Hospitality International Co., Ltd. plans to increase its capital in the amount of \$300,000 by issuing 30 million new shares with both par value and issuance price of \$10 (in dollars) per share in 2022. On November 4, 2021, the Board of Directors of the Company resolved to subscribe to the new shares according to its shareholding ratio. The effective date of aforementioned capital increase was set on January 20, 2022.

Note 3: As of December 31, 2023 and 2022, the book value of the Company's investment in Jin-Yi-Xing Plywood Co., Ltd., was below zero. Thus, the investments were transferred to other non-current liabilities at \$289,860 and \$289,743, respectively.

Note 4: On November 10, 2023, the Board of Directors of the Company resolved to participate in the capital increase raised by the subsidiary, Prince Industrial Corp., 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. The Company had invested in \$150,000 for the year ended December 31, 2023 and acquired 15,000 thousand ordinary shares. The par value and issuance price were both NT\$10 (in dollars) per share.

On November 4, 2022, the Board of Directors of the Company resolved to participate in the capital increase raised by the subsidiary, Prince Industrial Corp., by acquiring 29 million ordinary shares for a cash consideration of \$290,000 with both par value and issuance price of NT\$10 (in dollars) per share. The Company has subscribed to all of the shares according to its shareholding ratio.

#### B. Subsidiaries

Please refer to Note 4(3) of the Company's consolidated financial statements for the subsidiaries' information.

#### C. Associates

(a) The summarized financial information of the associate that is material to the Company is as follows: Balance sheet

	Uni President Development Corp.	
	December 31, 2023	December 31, 2022
Current assets	\$ 69,238	\$ 61,759
Non-current assets	6,465,726	6,769,627
Current liabilities	( 1,939,848)	( 2,295,832)
Non-current liabilities	( 685,055)	( 643,617)
Total net assets	\$ 3,910,061	\$ 3,891,937
Share in associate's net assets	\$ 1,173,018	\$ 1,167,581

#### Statements of comprehensive income

	Uni President Development Corp.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 941,304	\$ 899,939
Profit for the year from continuing operations	\$ 189,843	\$ 190,928
Total comprehensive income	\$ 189,843	\$ 190,928
Dividends received from associates	\$ 51,516	\$ 26,028

(b) The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$309,262 and \$313,882, respectively.

	Years ended December 31,	
	2023	2022
Income for the year from continuing operations	\$ 45,232	\$ 81,260
Other comprehensive (loss) income, net of tax	( 634)	1,154
Total comprehensive income	\$ 44,598	\$ 82,414

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

E. The Company's share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method for the years ended December 31, 2023 and 2022 was \$470,563 and \$115,029, respectively.

F. The investment income of certain investees (including their reinvestees) for the years ended December 31, 2023 and 2022 accounted for under the equity method was based on their financial statements for the corresponding periods, which were audited by other auditors. The investment income recognized for these investees for the years ended December 31, 2023 and 2022 was \$44,209 and \$44,292, respectively. As of December 31, 2023 and 2022, investment balance accounted for under the equity method in these investees were \$758,877 and \$752,483, respectively.

The investees whose financial statements were audited by other auditors for the years ended December 31, 2023 and 2022 were as follows:

(a) Investee that the Company accounted for under the equity method: Geng-Ding Co., Ltd.

(b) Reinvestees of the investee that the Company accounted for under the equity method: PPG Investment Inc., Queen Holdings Ltd. and Amida Trustlink Assets Management Co., Ltd.

G. Details of the Company's investments accounted for under 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:

	December 31, 2023	December 31, 2022
Land	\$ 177,750	\$ 178,012
Buildings	215,882	224,127
Computer and communication equipment	13,747	4,600
Transportation equipment	1,183	500
Office equipment	38,081	37,491
Leasehold improvements	15,486	16,928
Other equipment	177	187
Construction in progress and equipment under acceptance	5,394	9,440
	\$ 467,700	\$ 471,285

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

Cost	Year ended December 31, 2023				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 178,012	\$ -	\$ -	(\$ 262)	\$ 177,750
Buildings and structures	382,714	-	( 190)	( 2,087)	380,437
Computer and communication equipment	64,606	8,973	( 9,331)	2,135	66,383
Transportation equipment	1,200	1,200	( 1,200)	-	1,200
Office equipment	222,061	3,086	( 6,016)	5,461	224,592
Leasehold improvements	74,223	-	-	-	74,223
Other equipment	1,837	-	-	( 10)	1,827
Construction in progress and equipment under acceptance	9,440	-	-	( 4,046)	5,394
	<u>\$ 934,093</u>	<u>\$ 13,259</u>	<u>(\$ 16,737)</u>	<u>\$ 1,191</u>	<u>\$ 931,806</u>

Cost	Year ended December 31, 2022				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 179,681	\$ -	(\$ 1,669)	\$ -	\$ 178,012
Buildings and structures	382,821	1,465	( 1,572)	-	382,714
Computer and communication equipment	63,444	2,349	( 1,187)	-	64,606
Transportation equipment	8,367	-	( 7,167)	-	1,200
Office equipment	218,238	8,592	( 4,769)	-	222,061
Leasehold improvements	74,223	-	-	-	74,223
Other equipment	1,837	-	-	-	1,837
Construction in progress and equipment under acceptance	-	9,440	-	-	9,440
	<u>\$ 928,611</u>	<u>\$ 21,846</u>	<u>(\$ 16,364)</u>	<u>\$ -</u>	<u>\$ 934,093</u>

Accumulated depreciation	Year ended December 31, 2022				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures	\$ 152,299	\$ 7,063	(\$ 775)	\$ -	\$ 158,587
Computer and communication equipment	60,008	1,185	( 1,187)	-	60,006
Transportation equipment	7,006	394	( 6,700)	-	700
Office equipment	182,439	6,897	( 4,766)	-	184,570
Leasehold improvements	55,853	1,442	-	-	57,295
Other equipment	1,650	-	-	-	1,650
	<u>\$ 459,255</u>	<u>\$ 16,981</u>	<u>(\$ 13,428)</u>	<u>\$ -</u>	<u>\$ 462,808</u>

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

(9) Leasing arrangements - lessee

A. The Company leases various assets including offices, cafeterias and vehicles. Rental contracts

are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different 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 under 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:

	December 31, 2023	December 31, 2022
	Book value	Book value
Buildings and structures	\$ 180,257	\$ 89,517
Transportation equipment (business vehicles)	2,821	-
	<u>\$ 183,078</u>	<u>\$ 89,517</u>
	Years ended December 31,	
	2023	2022
	Depreciation expense	Depreciation expense
Buildings and structures	\$ 32,695	\$ 31,521
Transportation equipment (business vehicles)	555	205
	<u>\$ 33,250</u>	<u>\$ 31,726</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$126,811 and \$884, respectively.

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

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,806	\$ 2,470
Expense on short-term lease contracts	27	701
Expense on lease of low-value assets	104	200

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases amounted to \$35,784 and \$34,850, respectively.

F. Extension and termination options

- Extension options are included in approximately 29% of the Company's lease contracts pertaining to offices and cafeterias. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.
- In determining the lease term, the Company 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.



(10) Leasing arrangements – lessor

A. The Company leases various assets including offices, dormitories and long-term rental suites. Rental contracts are typically made for periods of 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 lease 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 years ended December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Rent income	\$ 432,812	\$ 440,644
Rent income arising from variable lease payments	\$ 52,306	\$ 28,911

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

	December 31, 2023
January 1, 2024 to December 31, 2024	\$ 340,186
January 1, 2025 to December 31, 2029	941,859
After January 1, 2030	1,301,922
	<u>\$ 2,583,967</u>
	December 31, 2022
January 1, 2023 to December 31, 2023	\$ 335,378
January 1, 2024 to December 31, 2028	370,455
After January 1, 2029	17,145
	<u>\$ 722,978</u>

(11) Investment property

A. Details of book values are as follows:

	December 31, 2023	December 31, 2022
Land	\$ 207,077	\$ 207,077
Leased assets-land	2,572,993	2,571,512
Leased assets-buildings	2,555,447	2,630,082
	<u>\$ 5,335,517</u>	<u>\$ 5,408,671</u>

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

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets-land	2,571,512	-	-	1,481	2,572,993
Leased assets-buildings	3,982,562	-	(1,180)	12,278	3,993,660
	<u>\$ 6,761,151</u>	<u>\$ -</u>	<u>(\$ 1,180)</u>	<u>\$ 13,759</u>	<u>\$ 6,773,730</u>

Year ended December 31, 2022					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets-land	2,571,512	-	-	-	2,571,512
Leased assets-buildings	3,982,562	-	-	-	3,982,562
	<u>\$ 6,761,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,761,151</u>

Year ended December 31, 2023					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	\$ 1,352,480	\$ 85,955	(\$ 1,180)	\$ 958	\$ 1,438,213

Year ended December 31, 2022					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	\$ 1,266,624	\$ 85,856	\$ -	\$ -	\$ 1,352,480

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

	Years ended December 31,	
	2023	2022
Rental revenue from the lease of the investment property	\$ 485,118	\$ 469,555
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 174,493	\$ 157,099

D. As of December 31, 2023 and 2022, the fair value of the investment property held by the Company was \$17,496,465 and \$12,521,169, respectively. The Company 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 categorised 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:

	December 31, 2023	December 31, 2022
Service concession	\$ 1,810,416	\$ 1,871,669

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

Year ended December 31, 2023					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372

Year ended December 31, 2022					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372

Year ended December 31, 2023					
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 996,703	\$ 61,253	\$ -	\$ -	\$ 1,057,956

Year ended December 31, 2022					
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 935,450	\$ 61,253	\$ -	\$ -	\$ 996,703

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

	Years ended December 31,	
	2023	2022
Operating costs-amortization expenses	\$ 61,253	\$ 61,253

(13) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 811,000	\$ 1,121,000
Secured bank borrowings	-	150,000
	\$ 811,000	\$ 1,271,000
Interest rate range	2.29%	1.83%~2.16%

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

(14) Bonds payable

	December 31, 2023	December 31, 2022
2018 1st secured ordinary bonds payable	\$ -	\$ 2,500,000
2022 1st secured ordinary bonds payable	2,000,000	2,000,000
2023 1st secured ordinary bonds payable	2,500,000	-
	4,500,000	4,500,000

A. The Company 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 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 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 Mega International Commercial Bank.

(15) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured bank borrowings	\$ 720,000	\$ 1,020,000
Unsecured bank borrowings	400,000	530,000
	<u>1,120,000</u>	<u>1,550,000</u>
Less: Current portion	( 700,000)	( 430,000)
	<u>\$ 420,000</u>	<u>\$ 1,120,000</u>
Range of maturity dates	2024.02.01~2027.01.09	2023.07.20~2027.01.09
Range of maturity rates	2.12%~2.48%	1.83%~2.38%

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

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

(16) Provisions-replacement cost

	2023	2022
At January 1	\$ 165,984	\$ 136,504
Additions	44,263	53,789
Used	( 35,756)	( 24,309)
At December 31	<u>\$ 174,491</u>	<u>\$ 165,984</u>

The Company'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(6).

(17) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	(\$ 104,483)	(\$ 110,040)
Fair value of plan assets	<u>77,751</u>	<u>82,612</u>
Net defined benefit liability	<u>(\$ 26,732)</u>	<u>(\$ 27,428)</u>

(c) Changes in net defined benefit liability are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2023</u>			
Balance at January 1	(\$ 110,040)	\$ 82,612	(\$ 27,428)
Interest (expense) income	( 1,320)	991	( 329)
	<u>( 111,360)</u>	<u>83,603</u>	<u>( 27,757)</u>
Remeasurements:			
Change in financial assumptions	-	-	-
Experience adjustments	( 4,780)	400	( 4,380)
	<u>( 4,780)</u>	<u>400</u>	<u>( 4,380)</u>
Pension fund contribution	-	2,608	2,608
Paid pension	<u>11,657</u>	<u>( 8,860)</u>	<u>2,797</u>
Balance at December 31	<u>(\$ 104,483)</u>	<u>\$ 77,751</u>	<u>(\$ 26,732)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2022</u>			
Balance at January 1	(\$ 122,766)	\$ 73,646	(\$ 49,120)
Interest (expense) income	( 859)	516	( 343)
	<u>( 123,625)</u>	<u>74,162</u>	<u>( 49,463)</u>
Remeasurements:			
Change in financial assumptions	3,754	-	3,754
Experience adjustments	<u>1,402</u>	<u>5,471</u>	<u>6,873</u>
	<u>5,156</u>	<u>5,471</u>	<u>10,627</u>
Pension fund contribution	-	2,979	2,979
Paid pension	<u>8,429</u>	<u>-</u>	<u>8,429</u>
Balance at December 31	<u>(\$ 110,040)</u>	<u>\$ 82,612</u>	<u>(\$ 27,428)</u>



(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2023	2022
Discount rate	1.20%	1.20%
Future salary increases	1.50%	1.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 1,639)	\$ 1,682	\$ 1,412	(\$ 1,384)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 1,802)	\$ 1,851	\$ 1,566	(\$ 1,534)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$577.

(f) As of December 31, 2023, the weighted average duration of that retirement plan is 7 years.

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

(b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were \$5,924 and \$13,220, respectively.

#### (18) 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 December 31	1,622,671	1,622,671

B. As of December 31, 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 December 31, 2023 and 2022, the Company's subsidiary, Prince Apartment Management & Maintenance Co., Ltd., held the Company's stocks to maintain equity interest in the Company. The amount of shares held by the subsidiary was all 655 thousand shares, the average par value was all NT\$1.53 per share, and the fair value was NT\$11.10 and NT\$10.50 per share, respectively.

#### (19) Capital surplus

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

	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
<u>2023</u>				
At January 1, 2023 (At December 31, 2023)	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513
	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
<u>2022</u>				
At January 1, 2022 (At December 31, 2022)	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513

#### (20) 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.

On March 4, 2024, the Board of Directors proposed that total dividends for the distribution of earnings for 2023 was \$584,397 at \$0.36 (in dollars) per share.

(21) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2023	\$ 1,184,333	(\$ 48)	1,184,285
Revaluation			
-The Company	197,474	-	197,474
-Subsidiary	29,594	-	29,594
At December 31, 2023	\$ 1,411,401	(\$ 48)	\$ 1,411,353
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2022	\$ 1,765,082	(\$ 48)	1,765,034
Revaluation			
-The Company	( 445,140)	-	( 445,140)
-Subsidiary	( 130,794)	-	( 130,794)
Disposals transferred to retained earnings			
-The Company	( 4,815)	-	( 4,815)
At December 31, 2022	\$ 1,184,333	(\$ 48)	\$ 1,184,285

(22) 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>December 31, 2023</u>			
Assets			
Accounts receivable, net	\$ 464,570	\$ 5,695,538	\$ 6,160,108
Liabilities			
Contract liabilities	\$ 13,496	\$ -	\$ 13,496
Accounts payable (including related parties)	15,445	124,603	140,048
	\$ 28,941	\$ 124,603	\$ 153,544
	Within 12 months	Over 12 months	Total

December 31, 2022

Assets			
Accounts receivable, net	\$ 1,760	\$ -	\$ 1,760
Inventories	578,889	5,853,768	6,432,657
	\$ 580,649	\$ 5,853,768	\$ 6,434,417
Liabilities			
Contract liabilities	\$ 34,739	\$ -	\$ 34,739
Accounts payable (including related parties)	84,094	219,967	304,061
	\$ 118,833	\$ 219,967	\$ 338,800

(23) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	\$ 686,800	\$ 6,292,400
Other - rental revenue	485,118	469,555
	\$ 1,171,918	\$ 6,761,955

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

<u>Year ended December 31, 2023</u>	<u>Building and land sales</u>	<u>Hotel operation</u>	<u>BOT business</u>	<u>Total</u>
Revenue from external customer contracts	\$ 332,174	\$ 71,348	\$ 283,278	\$ 686,800
Timing of revenue recognition				
At a point in time	\$ 332,174	\$ 481	\$ -	\$ 332,655
Over time	-	70,867	283,278	354,145
	\$ 332,174	\$ 71,348	\$ 283,278	\$ 686,800
<u>Year ended December 31, 2022</u>	<u>Building and land sales</u>	<u>Hotel operation</u>	<u>BOT business</u>	<u>Total</u>
Revenue from external customer contracts	\$ 5,959,522	\$ 55,711	\$ 277,167	\$ 6,292,400
Timing of revenue recognition				
At a point in time	\$ 5,959,522	\$ 297	\$ -	\$ 5,959,819
Over time	-	55,414	277,167	332,581
	\$ 5,959,522	\$ 55,711	\$ 277,167	\$ 6,292,400

## B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Contract liabilities - buildings and land sales contracts	\$ 13,496	\$ 34,739	\$ 730,032
Contract liabilities - BOT business contracts	63,018	61,494	61,285
Contract liabilities - hotel management contracts	439	449	449
	<u>\$ 76,953</u>	<u>\$ 96,682</u>	<u>\$ 791,766</u>

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

(24) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 19,620	\$ 4,526
Interest income from bonds and notes sold under repurchase agreement	32,590	5,173
Other interest income	20	-
	<u>\$ 52,230</u>	<u>\$ 9,699</u>

(25) Other income

	Years ended December 31,	
	2023	2022
Dividend income	\$ 51,509	\$ 118,784
Payables transferred to other income	95,255	103,522
Income from guarantee deposits forfeited due to a breach of contract	6,000	-
Insurance claim income	3,314	-
Others	31,019	18,447
	<u>\$ 187,097</u>	<u>\$ 240,753</u>

(26) Finance costs

	Years ended December 31,	
	2023	2022
Net gain on financial assets at fair value through profit or loss	\$ 25,978	\$ 18,914
(Losses) gain on disposals of property, plant and equipment	( 31)	28,710
Others	2	( 43)
	<u>\$ 25,949</u>	<u>\$ 47,581</u>

(27) Other gains and losses

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 49,883	\$ 56,615
Lease liability	3,806	2,470
Commercial paper	17	180
Ordinary bonds	110,021	94,177
Others	2,720	1,331
	<u>166,447</u>	<u>154,773</u>
Less: Capitalization of qualifying assets	-	-
	<u>\$ 166,447</u>	<u>\$ 154,773</u>

(28) Expenses by nature

	Year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ -	\$ 186,551	\$ 186,551
Labor and health insurance fees	-	13,922	13,922
Pension costs	-	6,253	6,253
Directors' remuneration	-	31,216	31,216
Other employee benefit expense	-	8,031	8,031
	<u>\$ -</u>	<u>\$ 245,973</u>	<u>\$ 245,973</u>
Depreciation charges	\$ 85,955	\$ 51,910	\$ 137,865
Amortization charges	\$ 61,253	\$ -	\$ 61,253



	Year ended December 31, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ -	\$ 302,152	\$ 302,152
Labor and health insurance fees	-	17,318	17,318
Pension costs	-	13,563	13,563
Directors' remuneration	-	62,644	62,644
Other employee benefit expense	-	12,730	12,730
	<u>\$ -</u>	<u>\$ 408,407</u>	<u>\$ 408,407</u>
Depreciation charges	\$ 85,856	\$ 48,707	\$ 134,563
Amortization charges	\$ 61,253	\$ -	\$ 61,253

- A. As of December 31, 2023 and 2022, the Company had approximately 212 and 206 employees, respectively. There were 15 and 14 non-employees, respectively.
- B. Average employee benefit expense in 2023 and 2022 were \$1,090 and \$1,801, respectively. Average employee salaries in 2023 and 2022 were \$947 and \$1,574, respectively; and adjustments of average employee salaries was (40%).
- C. 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.
- D. The Remuneration Policy of the Company: Directors and managers are remunerated based on the services provided, risk assumption and the extent of contribution by reference to the general pay level in the same industry. Employees are compensated based on their education and work background, professional expertise, professional seniority and personal performance. The Company also provides flexible compensation according to the operational situation to timely motivate morale and retain outstanding employees. Annual salary adjustments are based on the employees' position and performance assessment to determine the items and amounts for salary adjustments.
- E. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$65,366 and \$190,643, respectively; while directors' remuneration was accrued at \$22,238 and \$55,222, 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 year ended December 31, 2023. The distributed amounts resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

(29) Income tax

## A. Income tax expense

## (a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 32,295	\$ 76,435
Tax on undistributed surplus earnings	26,576	28,900
Under provision of prior year's income tax	2,314	147
Land value increment tax recognised in income tax for the year	1,187	14,354
Total current tax	<u>62,372</u>	<u>119,836</u>
Income tax expense	<u>\$ 62,372</u>	<u>\$ 119,836</u>

## (b) Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 130,998	\$ 318,975
Effect recognized from adjustments under tax regulations	( 98,703)	( 242,540)
Tax on undistributed surplus earnings	26,576	28,900
Under provision of prior year's income tax	2,314	147
Land value increment tax	1,187	14,354
Income tax expense	<u>\$ 62,372</u>	<u>\$ 119,836</u>

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(30) Earnings per share

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 592,617	1,622,671	\$ 0.37
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 592,617	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	8,834	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 592,617	1,631,505	\$ 0.36
Year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	\$ 0.91
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,475,037	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	19,838	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,475,037	1,642,509	\$ 0.90

(31) Supplemental cash flow information

		Years ended December 31,	
		2023	2022
Buildings and land held for sale transferred to investment properties	\$ 11,410	\$ -	
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	\$ 3,454	\$ -	
Prepayment transferred to property, plant and equipment	\$ 96	\$ -	
Property, plant and equipment transferred to investment properties	\$ 1,391	\$ -	
Bonds payable and long-term borrowings transferred to long-term liabilities, current portion	\$ 700,000	\$ 2,930,000	

(32) Changes in liabilities from financing activities

	Changes in cash		December 31, 2023
	January 1, 2023	flow from financing activities	Changes in other non-cash items (Note)
Short-term borrowings	\$ 1,271,000	(\$ 460,000)	\$ -
Bonds payable	4,500,000	-	-
Long-term borrowings	1,550,000	( 430,000)	-
Guarantee deposits received	154,667	16,510	-
Lease liability	94,929	( 31,847)	126,811
Liabilities from financing activities-gross	\$ 7,570,596	(\$ 905,337)	\$ 126,811
			\$ 6,792,070
	Changes in cash		December 31, 2022
	January 1, 2022	flow from financing activities	Changes in other non-cash items (Note)
Short-term borrowings	\$ 1,080,860	\$ 190,140	\$ -
Short-term notes and bills payable	100,000	( 100,000)	-
Bonds payable	4,500,000	-	-
Long-term borrowings	2,391,624	( 841,624)	-
Guarantee deposits received	155,584	( 917)	-
Lease liability	125,524	( 31,479)	884
Liabilities from financing activities-gross	\$ 8,353,592	(\$ 783,880)	\$ 884
			\$ 7,570,596

Note: Changes in other non-cash items arose from the additions to lease liabilities.

## 7. RELATED PARTY TRANSACTION

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

Names of related parties	Relationship with the Company
Cheng-Shi Investment Holdings Co., Ltd. (Cheng-Shi Investment Holdings)	The Company's subsidiary
Prince Property Management Consulting Co. (Prince Property Management Consulting)	The Company's subsidiary
The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality)	The Company's subsidiary
Prince Industrial Corp. (Prince Industrial)	The Company's subsidiary
Prince Real Estate Co., Ltd. (Prince Real)	The Company's subsidiary
Times Square International Investment Holding Company (Times Square Investment Holding)	The Company's subsidiary
Ta Chen Construction & Engineering Corp. (Ta Chen Construction & Engineering)	The subsidiary of CSIHC
Cheng-Shi Construction Co., Ltd. (Cheng-Shi Construction)	The subsidiary of CSIHC
Prince Apartment Management & Maintenance Co., Ltd. (Prince Apartment)	The subsidiary of PPMCC
Prince Security & Guard Co., Ltd. (Prince Security & Guard)	The subsidiary of PPMCC
Times Square International Hotel Corp. (Times Square Hotel)	The subsidiary of TSIHC
Times Square International Stays Corp. (Times Square Stays)	The subsidiary of TSIHC
Prince Chong-De Industrial Corp.(Prince Chong-De)	The subsidiary of PIC
Prince Da-Li-Yi Industrial Corp.(Prince Da-Li-Yi)	The subsidiary of PIC
Uni-President Enterprises Corp. (Uni-President Enterprises)	The Company's other related parties
President Chain Store Corp. (President Chain Store)	The Company's other related parties
President International Development Corp. (President International Development)	The Company's other related parties
Mech-President Co., Ltd. (Mech-President)	The Company's other related parties
Uni-President Vender Corp. (Uni-President Vender)	The Company's other related parties
President Chain Store Corp. (President Chain Store)	The Company's other related parties
Uni-President Dream Parks Co. (Uni-President Dream Parks)	The Company's other related parties
ICASH Corp. (ICASH)	The Company's other related parties
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	The Company's other related parties

For other related parties over which the Company exercises significant influence but with which the Company had no material transaction, please refer to Note 13 for related information.

### (2) Significant related party transactions and balances

#### A. Sales of goods:

	Years ended December 31,	
	2023	2022
Rental income:		
— President Chain Store	\$ 55,156	\$ 54,395
— Mech-President	24,930	-
— Subsidiaries	1,221	1,154
— Other related parties	169	-
	<u>\$ 81,476</u>	<u>\$ 55,549</u>

Rent is determined by mutual agreements and is collected monthly.

#### B. Purchases and Expenses:

(a) Details of the Company's subcontracting to related parties and its purchases from related parties are as follows:

	Years ended December 31,	
	2023	2022
Construction subcontracting:		
— Prince Utility	\$ 5,050	\$ -
— Cheng-Shi Construction	449	321
Purchases of services:		
— Subsidiaries	60,024	51,736
Purchases of goods		
— Other related parties	124	-
	<u>\$ 65,647</u>	<u>\$ 52,057</u>

The Company subcontracted building construction and utilities engineering to related parties, Chen-Shi Construction, Ta Chen Construction & Engineering and Prince Utility. Under those subcontracts, acceptance would be done according to the progress of the construction and engineering; payments would be made based on agreed-upon terms of the two parties. Purchases from related parties, Prince Security & Guard, Prince Apartment and Chen-Shi Construction, are based on negotiated terms because the related purchase transactions are unique and not available from third parties.

- (b) As of December 31, 2023 and 2022, unsettled construction contracts that were signed by the Company and Chen-Shi Construction are both totaled \$640,544 ; there were no payments made for those contracts; and future payments required under those contracts are both amounted to \$640,544.
- (c) As of December 31, 2023 and 2022, unsettled construction contracts that were signed by the Company and Prince Utility totaled \$49,531 and \$0, respectively ; there were no payments made for those contracts; and future payments required under those contracts are both amounted to \$49,531 and \$0, respectively.



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

	Years ended December 31,	
	2023	2022
— Other related parties	\$ 3,837	\$ 4,400

#### C. Other assets

- (a) 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. Furthermore, the Company and A party jointly established The Splendor Hospitality International Co., Ltd. and \$450,000 invested in the share capital was drawn down from the abovementioned price of the creditor’s rights.
- (b) The Company and China Metal Products Co., Ltd. jointly established The Splendor Hospitality International Co., Ltd. (“A party”) by contributing 50% of the investment each. On November 1, 2006, A party signed a certain assets transfer contract with The Splendor Hotel Chunggang (“B party”). Under the contract, A party should pay B party for employees’ services, goods purchases and taxes. The above payments of \$352,310 required of A party were made from the share capital of its initial establishment.
- The Company’s creditor’s rights above amounting to \$2,375,000 were originally receivable from B party. After B party and A party signed a certain assets transfer contract in December, 2006, the creditor’s right to the above receivables were transferred to A party. And A party repaid \$1,800,000 to the Company in June 2007. As of December 31, 2023 and 2022, the Company’s creditor’s rights receivable from A party both amounted to \$575,000(shown as ‘other non-current assets – others’).
- (c) Details of the Company’s capital investment in The Splendor Hospitality International Co., Ltd. in the past are as follows:

2006	\$	225,000
2008		105,000
2009		615,000
2010		30,000
2021 (Note)	(	800,000
2022 (Note)		150,000
	\$	<u>325,000</u>

Note1: On November 13, 2023, the subsidiary, Times Square International Investment Holding Company, reduced its capital to cover accumulated deficit by decreasing paid-in capital of \$46,700 and retiring 4,670 thousand issued shares. The capital reduction ratio was approximately 7.5%. The Company’s investment has been reduced according to its shareholding ratio.

#### D. Accounts payable

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 4,314	\$ 7,313
Other related parties	139	-
	<u>\$ 4,453</u>	<u>\$ 7,313</u>

#### E. Property transactions:

##### Prepayment for equipment

	December 31, 2023	December 31, 2022
Mech-President	\$ 810	\$ -

#### F. Lease transactions - lessee

- (a) The Company 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:

	December 31, 2023	December 31, 2022
President International Development	\$ 123,435	\$ -

- (c) Lease liabilities  
i. Outstanding balance:

	December 31, 2023	December 31, 2022
Lease liabilities - current:		
President International Development Corp.	\$ 23,965	\$ 7,480
Lease liabilities - non - current:		
President International Development Corp.	\$ 82,816	\$ -

- ii. Interest expense:

	Years ended December 31,	
	2023	2022
President International Development Corp.	\$ 1,904	\$ 469

G. Lease transactions-lessor

The Company leases investment property to the other related party, Tone Sang, and had entered into lease contract in December 2023. The lease term is between January 1, 2024 and December 31, 2043. The Company had collected the guarantee deposits for lease amounting to \$14,825 (shown as guarantee deposits received) as of December 31, 2023.

- H. The information on endorsement and guarantees among related parties are described in Note 9(1).
- I. On November 10, 2023, and November 4, 2022 the Company's Board of Directors approved to provide loans to the subsidiary, Prince Industrial Corp., for short-term financing amounting to \$100,000 and \$100,000. As of December 31, 2023, the subsidiary had not drawn down.
- J. On November 10, 2023, the Company's Board of Directors approved to provide loans to the subsidiary, Chen-Shi Construction and Prince Chong-De Industrial Corp. for short-term financing amounting to \$100,000 and \$200,000. As of December 31, 2023, the subsidiary had not drawn down.
- K. Refer to Note 6(7) for the increase and decrease of the Company's investment in the subsidiaries, Times Square International Holding Company, The Splendor Hospitality International Co., Ltd. and Prince Industrial Corp., in 2023 and 2022
- L. For the years ended December 31, 2023 and 2022, to operate the Company's finance and maintain the Group's shareholdings, the Company acquired 7,780 thousand and 3,130 thousand shares of Nantex Industry Co., Ltd. from the Company's subsidiary, Ta Chen Construction & Engineering Corp., for a total amount of \$270,162 and \$117,698 (including \$196 and \$167 of transaction fee) by using the block pairs trades through Taiwan Stock Exchange, respectively.

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	\$ 51,996	\$ 59,781
Termination benefit	-	-
Post-employment benefits	-	1,245
Other long-term benefits	-	-
Share-based payment	-	-
	\$ 51,996	\$ 61,026

8. PLEDGED ASSETS

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

Pledged asset	December 31, 2023	December 31, 2022	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 432,877	\$ 486,679	Performance guarantee, short-term and long-term borrowings.
Financial assets at fair value through profit or loss	81,285	80,317	Long-term borrowings
Land held for construction site	1,256,536	1,256,536	Short-term borrowings, notes and bills payable and long-term borrowings
Construction in progress	35,849	35,829	Short-term borrowings, notes and bills payable and long-term borrowings
Financial assets at fair value through other comprehensive income	1,091,304	1,154,839	Short-term borrowings and issuance of long-term notes and bills
Investments accounted for under equity method	977,515	972,984	Long-term borrowings and issuance of long-term notes and bills
Land	166,997	166,997	Short-term borrowings, notes and bills payable and long-term borrowings
Buildings	173,304	178,955	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	4,588,747	4,651,838	Short-term borrowings, notes and bills payable and long-term borrowings
	\$ 8,804,414	\$ 8,984,974	

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:

	December 31, 2023		December 31, 2022	
Name of company	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
The Splendor Hospitality International Co., Ltd. (Note)	\$ 1,800,000	\$ 1,700,000	\$ 1,775,000	\$ 1,725,000

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. Since 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. 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:

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 952	\$ 952

(3) Information on the commitments of the Company relating to financial support to related parties is described in Note 7(2).

(4) Operating lease agreement:

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

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

(6) 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 December 31, 2023 and 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:

- The ratio of A party's own capital utilized in this project to total construction cost of this project should be at least 30%;
- 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%;
- 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) 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 December 31, 2023 and 2022, A party had provided performance guarantee with a guarantee letter issued by the bank, amounting to \$10,000 for both years.

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.

(8) 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.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of 2023 earnings as resolved by the Board of Directors of the Company on March 4, 2024 is provided in Note 6(20).



## 12. OTHERS

### (1) Capital management

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

### (2) Financial instruments

#### A. Financial instruments by category

	December 31, 2023	December 31, 2022
<b>Financial assets</b>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,072,022	\$ 2,348,780
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	2,544,896	2,077,331
Financial assets at amortised cost		
Cash and cash equivalents	6,671,877	8,440,159
Financial assets at amortised cost	1,385,945	486,679
Notes receivable	42,004	19,323
Accounts receivable	2,345	3,621
Other receivables	10,887	914
Refundable deposits	7,603	7,672
	<u>\$ 12,737,579</u>	<u>\$ 13,384,479</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 811,000	\$ 1,271,000
Notes payable	-	963
Accounts payable (including related parties)	168,266	324,729
Other payables	208,573	397,950
Corporate bonds payable	4,500,000	4,500,000
Long-term borrowings (including current portion)	1,120,000	1,550,000
Guarantee deposits received	171,177	154,667
	<u>\$ 6,979,016</u>	<u>\$ 8,199,309</u>
Lease liability	<u>\$ 189,893</u>	<u>\$ 94,929</u>

#### B. Financial risk management policies

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

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

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

###### Foreign exchange risk

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

###### Price risk

- The Company'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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- 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 years ended December 31, 2023 and 2022 would have increased/decreased by \$ 207,202 and \$234,878, 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 \$ 254,490 and \$207,733, 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 Company's interest rate risk mainly arose from short-term and long-term (excluding commercial papers) borrowings issued at variable rates and exposed the Company 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 Company to fair value interest rate risk. The Company'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 years ended December 31, 2023 and 2022 would have been \$1,931 and \$2,821 lower/higher, respectively.

##### (b) Credit risk

Credit risk refers to the risk of financial loss to the Company 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

- The Company's accounts receivable mainly arose from mortgage and credit card payment loaned to financial institutions, so it expects that the credit risk is remote.

- ii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iii. The Company adjusted the provision matrix with the historical loss of accounts receivable and forecastability, which considered the economic condition of the next months. 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 90 days	Total
<u>December 31, 2023</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 2,246	\$ -	\$ -	\$ -	\$ 253	\$ 2,499
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 154
<u>December 31, 2022</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 3,272	\$ -	\$ -	\$ -	\$ 503	\$ 3,775
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ 154	\$ 154

- iv. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	\$ 154	\$ 154
Provision for impairment loss	6	-
Derecognised	(6)	-
At December 31	\$ 154	\$ 154

- v. 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 Company 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.

(c) Liquidity risk

- i. Cash flow forecasting is performed by the Company's finance & accounting division. The Company's finance & accounting division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity Companyings 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.

	December 31, 2023		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 822,842	\$ -	\$ -
Accounts payable (including related parties)	43,663	124,603	-
Lease liability	34,847	69,328	102,288
Other payables	208,573	-	-
Guarantee deposits received	107,944	22,316	40,917
Bonds payable	-	-	4,570,100
Long-term borrowings (including current portion)	715,663	368,753	84,868

	December 31, 2022		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,287,793	\$ -	\$ -
Short-term notes and bills payable	963	-	-
Accounts payable (including related parties)	104,762	219,967	-
Lease liability	15,412	15,309	77,111
Other payables	397,950	-	-
Guarantee deposits received	112,083	13,853	28,731
Bonds payable	2,521,000	-	2,031,600
Long-term borrowings (including current portion)	438,658	997,545	181,782

- iii. The Company 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.

(2) 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 Company'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 Company'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 Company's cash and cash equivalents, financial instruments at amortised cost (including financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable (including

related parties), other payables, lease liability, corporate bonds payables, long-term-borrowings, 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 December 31, 2023 and 2022 are as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 2,072,022	\$ -	\$ -	\$ 2,072,0
Financial assets at fair value through other comprehensive income				
Equity securities	1,349,922	-	1,194,974	2,544,8
	<u>\$ 3,421,944</u>	<u>\$ -</u>	<u>\$ 1,194,974</u>	<u>\$ 4,616,9</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 2,348,780	\$ -	\$ -	\$ 2,348,7
Financial assets at fair value through other comprehensive income				
Equity securities	1,018,779	-	1,058,552	2,077,3
	<u>\$ 3,367,559</u>	<u>\$ -</u>	<u>\$ 1,058,552</u>	<u>\$ 4,426,1</u>

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

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

	Listed shares	Open-end fun
Market quoted price	Closing price	Net asset valu

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 years ended December 31, 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 years ended December 31, 2023 and 2022:

	2023	2022
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	\$ 1,058,552	\$ 1,131,392
Gain (loss) recognised in other comprehensive income (Note)	136,422	( 89,930)
Bought in the period	-	21,905
Sold in the period	-	( 4,815)
At December 31	<u>\$ 1,194,974</u>	<u>\$ 1,058,552</u>

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

G. or the years ended December 31, 2023 and 2022, except for the movement described in item F. above, there was no other 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 December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity Unlisted shares	\$ 1,194,974	Market comparable companies	EV/EBITDA	9.63-12.33	The higher the weighted average cost of capital, the lower 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	\$ 1,058,552	Market comparable companies	EV/EBITDA	8.98-9.96	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable



J. The Company 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:

		December 31, 2023				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instruments	1,194,974	±1%	\$ -	\$ -	\$ 11,950	(\$ 11,950)
		December 31, 2022				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instruments	1,058,552	±1%	\$ -	\$ -	\$ 10,586	(\$ 10,586)

(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

None.

#### 13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2023

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

Items	Description	Amount
Cash on hand and revolving funds		\$ 1,887
Chenking accounts		1,763,661
Demand deposits - NTD deposits		1,382,086
- USD deposits	(USD 106.95 thousand ; exchange rate 30.66)	3
Bonds and notes with call back options	(Interest rate range: 1.00%~1.02%)	
	(Maturity date range: from January 4, 2024 to February 2, 2024)	3,524,240
		<u>\$ 6,671,877</u>

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-CURRENT  
DECEMBER 31, 2023

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

Name of financial instruments	Description	Price		Interest rate	Price		Acquisition cost	Price		Total price	Notes
		Number of shares	(in dollar)		Total amount	(in dollar)		(in dollar)	(in dollar)		
Beneficiary certificates	Prudential Financial Money Market Fund	56,475,870	\$	10	\$ 564,759	\$	\$ 900,160	\$ 16.26	\$	\$ 918,224	
	Allianz Global Investors Taiwan Money Market Fund	43,837,859		10	438,379		556,659	12.89		565,022	
	UPAMC James Bond Money Market Fund	29,597,708		10	295,977		493,132	17.15		507,491	
							1,949,951			\$ 1,990,737	
							40,786				
							<u>\$ 1,990,737</u>				

Add : Valuation adjustment for financial assets

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RINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
FINANCIAL ASSETS AT AMORTISED COST - CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Financial assets at amortised cost -current' is provided in Note 6(4).

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RINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
INVENTORIES  
DECEMBER 31, 2023

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

Items	Description	Amount		Notes
		Cost	Net realisable value	
Land held for construction site		\$ 5,141,461	\$ 12,058,292	Note
Construction in progress		142,065	169,932	Note
Buildings and land held for sale		720,557	947,965	Note
Prepayment for land		228,635	228,635	Note
Merchandise		1,761	1,761	Note
		6,234,479	\$ 13,406,585	
Less : Allowance for inventory valuation losses		( 72,610)		
		\$ 6,161,869		

Note: Use the replacement cost to be the market price.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
CONSTRUCTION IN PROGRESS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of construction	Balance at January 1, 2023	Cost incurred	Capitalised interest payment	Transfer of completed construction	Balance at December 31, 2023	Notes
ali Dist Chung Chang Section No. 222 and 211-1, etc.	\$ 18,381	\$ 21	\$ -	\$ -	\$ 18,402	
aitun Dist. Rong-De Lot No.129, etc.	8,310	( 148)	-	-	8,162	Note
in Hua Section No. 1361	78,150	7	-	-	78,157	
others	31,109	6,235	-	-	37,344	
	\$ 135,950	\$ 6,115	\$ -	\$ -	\$ 142,065	

Note: Cost incurred includes reversal of the balance at January 1, 2023 overestimated of \$1,500.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON CURRENT FOR THE YEAR  
ENDED DECEMBER 31, 2023

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

Name	Opening balance		Additions		Reductions		Ending balance		Collateral or pledged	Notes
	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Amount		
Nantex Industry Co., Ltd.	10,695	\$ 396,249	7,780	\$ 298,410	-	\$ -	18,475	\$ 694,659	No	Listed Company Note 3
Simple Technology Co., Ltd.	76	21,759	-	10,308	-	-	76	32,067	No	OTC Company
Scino Pharm Taiwan Ltd.	23,606	600,771	-	22,425	-	-	23,606	623,196	Note 1	Listed Company
Universal Venture Capital Investment Corp.	1,400	10,430	-	2,940	-	-	1,400	13,370	No	
Grand Bills Finance Corp.	49	696	-	103	-	-	49	799	No	
Nanmat Technology Co., Ltd.	2,361	223,073	236	28,772	-	-	2,597	251,845	No	
President International Development Corp.	87,746	824,353	-	104,607	-	-	87,746	928,960	Note 2	
		\$ 2,077,331		\$ 467,565		\$ -		\$ 2,544,896		

Note 1: 17,276 thousand shares of outstanding common stock were used as collateral for loan.

Note 2: 60,000 thousand shares of outstanding common stock were used as collateral for loan.

Note 3: Details of the additions in the number of shares for the year are provided in Note 7(2).

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
FINANCIAL ASSETS AT AMORTISED COST - NON - CURRENT  
DECEMBER 31, 2023

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

The information on 'Financial assets at amortised cost - non-current' is provided in Note 6(4).

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RINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
CHANGES ON INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Name	Opening balance		Additions		Reductions		Ending balance		Market price or net value per share		Collateral or pledged	Notes
	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Amount	Number of shares (per thousand share)	Ownership %	Price (in dollar)	Total price		
Cheng Shi Investment Holdings Co., Ltd.	149,365	\$ 1,323,732	-	\$ 181,027	-	\$ -	149,365	100.00%	\$ 10.70	\$ 1,598,821	No	
Prince Property Management Consulting Co.	17,147	268,521	-	-	-	( 8,416)	17,147	100.00%	15.79	270,691	No	
GengDing Co., Ltd.	18,000	313,882	-	-	-	( 4,620)	18,000	30.00%	17.18	309,262	No	
Prince Housing Investment Corp.	0.4	614,291	-	44,587	-	-	0.4	100.00%	1,593,485.25	682,012	No	
Uni-President Development Corp.	108,000	1,167,581	-	5,437	-	-	108,000	30.00%	10.86	1,173,018	Note 1	
The Splendor Hospitality International Co., Ltd.	32,500	259,757	-	-	-	( 7,674)	32,500	50.00%	7.76	252,083	No	
Jin-Yi-Xing Plywood Co., Ltd.	3,938	( 289,743)	-	-	-	( 117)	3,938	99.65% (	1.31	5,171	No	Note 2
Prince Industrial Corp.	30,000	299,119	15,000	147,846	-	-	45,000	100.00%	9.93	446,965	No	Note 3
Prince Real Estate Co., Ltd.	12,292	1,355,998	-	-	-	( 756,225)	12,292	99.68%	60.44	742,906	No	
Times Square International Investment Holding Company	62,100	755,276	-	206,632 (	4,670)	-	57,430	100.00%	16.75	961,908	No	Note 4
Add : Shown as increase in other non-current liabilities		6,068,414		\$ 585,529		( \$ 777,052)						
		289,743		-		-						
		\$ 6,358,157		\$ -		( \$ 777,052)						

Note 1: 90,000 thousand shares of outstanding common stock were used as collateral for loan.  
Note 2: As of December 31, 2023 and 2022, the book value of investment in Jin-Yi-Xing Plywood Co., Ltd. were transferred to other non-current liabilities at \$289,860 and \$289,743, respectively, as the balances were below zero.  
Note 3: The increase in the number of shares for the year was resulted from the investee's capital increase. Refer to Note 6(7) for details.  
Note 4: The decrease in the number of shares for the year was resulted from the investee's capital reduction to cover accumulated deficit. Refer to Note 6(7) for details.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Property, plant and equipment' is provided in Note 6(8).

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Property, plant and equipment' is provided in Note 6(8).  
Please refer to Note 4(15), for the information of depreciation methods and useful lives.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Items	Opening net book amount	Additions	Disposals	Closing net book amount	Notes
Buildings and structures	\$ 213,862	\$ 123,435	(\$ 105,352)	\$ 231,945	
Transportation equipment	-	3,376	-	3,376	
	<u>\$ 213,862</u>	<u>\$ 126,811</u>	<u>(\$ 105,352)</u>	<u>\$ 235,321</u>	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION  
ON RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Items	Opening net book amount	Additions	Disposals	Closing net book amount	Notes
Buildings and structures	\$ 124,345	\$ 32,695	(\$ 105,352)	\$ 51,688	
Transportation equipment	-	555	-	555	
	<u>\$ 124,345</u>	<u>\$ 33,250</u>	<u>(\$ 105,352)</u>	<u>\$ 52,243</u>	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
INVESTMENT PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Investment property' is provided in Note 6(11).

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RINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION ON INVESTMENT PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Investment property' is provided in Note 6(11). Please refer to Note 4(17), for the information of depreciation methods and useful lives.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
INTANGIBLE ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

The information on 'Intangible assets' is provided in Note 6(12). Please refer to Note 4(18), for the information of depreciation methods and useful lives.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
OTHER NON-CURRENT ASSETS, OTHERS

DECEMBER 31, 2023

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Items	Description	Amounts	Notes
Other assets - others	The Splendor Hospitality International Co., Ltd.'s	\$ 575,000	
	creditor right Paintings	61,640	
		<u>\$ 636,640</u>	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
SHORT-TERM BORROWINGS  
DECEMBER 31, 2023

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

<u>Creditor</u>	<u>Explanation</u>	<u>Amounts</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Financing limit</u>	<u>Pledge or guarantee</u>	<u>Not</u>
Mega Bank	Unsecured borrowings	\$ 811,000	2023.08.21-2024.08.20	2.29%	1,057,000	None	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
CONTRACT LIABILITIES-CURRENT  
DECEMBER 31, 2023

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

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Advance real estate receipts	Prince Yuan	\$ 8,591	Buildings and land held for sale
	Prince Castle	4,905	Buildings and land held for sale
		13,496	
Others		63,457	
		<u>\$ 76,953</u>	

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RINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIESOTHER PAYABLESDECEMBER 31, 2023

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

<u>Items</u>	<u>Description</u>	<u>Amount</u>
Employees' compensation and directors' remuneration payable	\$	87,604
Interest payable		39,919
House tax payable		29,073
Others (minor amount less than 5%)		<u>51,977</u>
	\$	<u>208,573</u>

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIESLEASE LIABILITIESDECEMBER 31, 2023

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

<u>Items</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Notes</u>
Buildings and structures		2015.5.1~2035.4.30	2.00%~2.26%	\$ 187,111	
Transportation equipment		2023.5.31~2028.8.31	2.19%~2.30%	2,782	
Less : Current portion				( 30,865)	
				<u>\$ 159,028</u>	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
BONDS PAYABLE  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name of Bond	Guarantor	Trustee	Period	Date of interest payment	Interest rate	Total issued amount	Repayment	Balance at December 31, 2023
2022 1st secured ordinary bonds payable	Taiwan Bank	Mega International Commercial Bank	2022.06.16	Note	Note	\$ 2,000,000	\$ -	\$ 2,000,000
2023 1st secured ordinary bonds payable	Taiwan Bank	CTBC Bank Co., Ltd.	2023.06.13	Note	Note	2,500,000	-	2,500,000
						<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ 4,500,000</u>

Note: Please refer to Note 6(14) for the information of corporate bonds payable.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
LONG-TERM BORROWINGS  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Type of borrowings	Amount	Contract period	Interest rate	Pledge or guarantee	Notes
Mega Bank and syndicated	Secured borrowings	\$ 420,000	2007.01.09-2027.01.09	2.48%	Note	Repayable in installments based on contract terms
BEA Bank	Secured borrowings	300,000	2021.02.01-2025.09.12	2.33%	Note	Repayable in installments based on contract terms
Shin Kong Bank	Unsecured borrowings	400,000	2021.11.15-2024.11.15	2.12%	None	Repayable in installments based on contract terms
Less: Current portion		1,120,000				
		<u>( 700,000 )</u>				
		<u>\$ 420,000</u>				

Note: Please refer to Note 8 for details.

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES  
OPERATING REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Items	Description	Land	Amount Buildings
Construction revenue	Prince Hua Wei	\$ 149,640	\$ 50,
Sales revenue from buildings and land	Jun Chan LV	13,520	
	Prince Yuan	14,750	
	Cozy Prince Mansion	8,050	
	Prince WIN2 Future	15,160	
	Others	201,120	131,
		\$	\$

Sales returns and discounts  
Construction revenue total  
Hotel operating revenue BOT business revenue  
Other rental revenue

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES OPERATING  
EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Items	Description	Amount	Notes
Selling expenses	Advertisement expense	\$ 3,350	
General & administrative expenses	Wages and salaries	224,020	
	Taxes	105,176	
	Repairs and maintenance expense	52,112	
	Security expenses	63,592	
	Depreciation	51,910	
	Utilities expense	49,974	
	Other expenses (minor amount less than 5%)	116,978	
		663,762	
	Impairment loss	6	
		\$ 667,118	

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIESFINANCE COSTSFOR THE YEAR ENDED DECEMBER 31, 2023

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

For the details of finance costs, please refer to Note 6(27).

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIESCURRENT EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES FORFOR THE YEAR ENDED DECEMBER 31, 2023

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

For the details of employee benefits, depreciation and amortisation expenses summarised by function for the year, please refer to Note 6(28).

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Prince Housing & Development Corp.  
Loans to others  
Year ended December 31, 2023

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended		Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted		Footnote
					December 31, 2023	December 31, 2023					Allowance for accounts	Item	Value	to a single party	loans granted	
0	Prince Housing & Development Corp.	Prince Industrial Corp.	Other receivables - related parties	Y	\$ 100,000	\$ 100,000	\$ -	2.7	Short-term financing	\$ -	-	None	-	\$ 500,000	\$ 10,288,818	Note 2
0	Prince Housing & Development Corp.	Prince Chong-De Industrial Corp.	Other receivables - related parties	Y	200,000	200,000	-	2.7	Short-term financing	-	-	None	-	500,000	10,288,818	Note 2
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	Other receivables - related parties	Y	100,000	100,000	-	2.7	Short-term financing	-	-	None	-	500,000	10,288,818	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: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Ta-Chen Construction & Engineering Corp. "Procedures for Provision of Loans" are as follows:

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.

Table 1, Page 1

Prince Housing & Development Corp.  
Provision of endorsements and guarantees to others  
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 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
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	6	\$ 5,144,409	\$ 3,350,000	\$ 1,800,000	\$ 1,700,000	\$ -	7%	\$ 12,861,023	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.

Table 2, Page 1

Prince Housing & Development Corp.  
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)  
December 31, 2023

Table 3

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of December 31, 2023			Footnote	
					Number of shares	Book value	Ownership (%)		
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	18,474,988	\$ 694,659	Note 1	\$ 37.60	Listed company
	Stock	ScenoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	623,196	Note 1	26.40	Listed company, Note 2
	Stock	Simple Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	32,067	Note 1	420.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	13,370	Note 1	9.55	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	799	Note 1	16.41	
	Stock	Nantat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,596,336	251,845	Note 1	97.00	
	Stock	Nantat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	87,745,770	928,960	6.63%	10.59	Note 3
	Fund	President International Development Corp.	Other related party	Financial assets at fair value through profit or loss - non-current	6,301,406	81,285	-	12.90	Note 4
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - current	56,475,870	918,224	-	16.26	
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	29,597,708	507,491	-	17.15	
Cheng-Shi Investment Holdings Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	43,837,859	565,022	-	12.89	
	Fund	Alliartz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,775,631	30,445	-	17.15	
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,878,650	60,237	-	12.35	
	Fund	Yuantai De-Bao Money Market Fund	None	Financial assets at fair value through profit or loss - current	23,317,460	300,536	-	12.89	
Ta Chen Construction & Engineering Corp.	Stock	Alliartz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,417,483	90,897	Note 1	37.60	Listed company
	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - current	2,371,342	230,012	Note 1	97.00	
	Fund	Nantat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	4,758,757	91,673	-	17.15	
	Stock	UPAMC James Bond Money Market Fund	Parent company	Financial assets at fair value through other comprehensive income	655,424	7,275	Note 1	11.10	Listed company
Prince Apartment Management & Maintenance Co., Ltd.	Stock	Prince Housing & Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	122,201	1,931	Note 1	15.80	Listed company
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	316,176	30,669	Note 1	97.00	
	Fund	Nantat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,172,949	24,587	-	11.32	
	Fund	CTBC Hwa-swin Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,164,808	72,000	-	13.94	
	Fund	Tashin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,802,705	58,000	-	15.25	
	Fund	Jhi Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	194,282	7,305	Note 1	37.60	Listed company
	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	957	Note 1	19.95	OTC company
	Stock	Sung Gang Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	20,833,005	268,515	-	12.89	
	Fund	Alliartz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,916,654	50,479	-	12.89	
	Fund	Alliartz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current					

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.

Table 3, Page 1

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 Year ended December 31, 2023

Table 4

		Balance as at January 1, 2023				Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2023	
Investor	Marketable securities (Note 1)	Counterparty (Note 2)	Relationship with the investor (Note 2)	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.	Allianz Global Investors Taiwan Money Market Fund	-	-	47,391,936	\$ 795,684	-	\$ -	( 17,794,228)	\$ 302,715	\$ 302,552	\$ 163	29,597,708	\$ 493,132
Prince Housing & Development Corp.	Nantex Industry Co., Ltd.	-	-	10,694,988	396,249	7,780,000	270,162	-	-	-	-	18,474,988	694,659
Ta Chen Construction & Engineering Corp.	Nantex Industry Co., Ltd.	-	-	10,197,483	377,816	-	-	( 7,780,000)	( 269,966)	( 288,249)	( 18,283)	2,417,483	90,897
Prince Real Estate Co., Ltd.	UPAMC James Bond Money Market Fund	-	-	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 NT\$300 million or 20% of paid-in capital or more.

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



Prince Housing & Development Corp.  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the  
Company's paid-in capital Year ended December 31, 2023

Table 5

Year ended December 31, 2023

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
		Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	
Ta Chen Construction & Engineering Corp.	Uni-President Express Corp.	Other related parties	Sales	\$ 2,566,739	30%	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.	50%
								Balance	
								\$ 395,799	

Table 5, Page 1

Prince Housing & Development Corp.  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Overdue			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
				Turnover rate	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.	Other related parties	-accounts receivable 395,799	6.56	-	-	255,488	-

Table 6, Page 1

Prince Housing & Development Corp.  
Significant inter-company transactions during the reporting periods Year ended  
December 31, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction				Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms		
0	Prince Housing & Development Corp.	The Splendor Hospitality International Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	\$ 1,800,000	In accordance with endorsement and guarantee procedures	3.89%	
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	1.24%	
0	Prince Housing & Development Corp.	Prince Chong-De Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	200,000	In accordance with the Procedures for Provision of Loans	0.43%	
0	Prince Housing & Development Corp.	Prince Industrial Corp.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%	
0	Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	The Company to the consolidated subsidiaries	Loans to others	100,000	In accordance with the Procedures for Provision of Loans	0.22%	
0	Prince Housing & Development Corp.	Ta Chen Construction & Engineering Corp. (Note5)	Note5	Non-current financial assets at fair value through other comprehensive income	270,162	In accordance with the regulations of Taiwan Stock Exchange	0.58%	
1	Ta Chen Construction & Engineering Corp.	Prince Housing & Development Corp. (Note5)	Note5	Non-current financial assets at fair value through profit or loss	269,966	In accordance with the regulations of Taiwan Stock Exchange	0.58%	

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

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

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

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

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

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

Note 5: For the year ended December 31, 2023, 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 \$270,162 (including \$196 of transaction fee) by using the block pairs trades through Taiwan Stock Exchange.

Table 7, Page 1

Prince Housing & Development Corp.  
Information on investees  
Year ended December 31, 2023

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount				Shares held as at December 31, 2023				Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 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%	\$ 1,504,759	\$ 151,890	\$ 156,055	Notes 1 and 2			
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100.00%	260,105	( 10,920)	( 10,824)	Notes 1 and 2			
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	309,262	45,232	13,570	-			
	Prince Housing Investment Corp.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	658,878	44,587	44,587	Note 2			
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,173,018	189,843	56,953	Note 4			
	The Splendor Hospitality International Co., Ltd.	Taiwan	Hotels and catering	325,000	325,000	32,500,000	50.00%	252,083	( 15,349)	( 7,675)	Notes 2			
	Jin-Yi-Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	( 289,860)	( 118)	( 118)	Notes 2			
	Prince Industrial Corp.	Taiwan	Manufacture of public housing and building	450,000	300,000	45,000,000	100.00%	446,965	( 2,154)	( 2,154)	Note 2 and 5			
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	599,773	13,852	13,537	Notes 1 and 2			
	Times Square International Holding Company	Taiwan	General investment	373,570	420,270	57,430,000	100.00%	961,908	206,632	206,632	Notes 2 and 6			
	Ta Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	122,616,762	100.00%	1,321,732	151,886	-	Notes 2 and 3			
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	30,989	( 6,607)	-	Notes 2 and 3			
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	201,500	5,969	-	Notes 2 and 3			
	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	23,696	10,611	-	Note 3			
Prince Housing Investment Corp.	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	413,536	103,043	-	Note 3			

Table 8, Page 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management & Maintenance Co., Ltd.	Taiwan	Management of apartments	\$ 67,853	\$ 67,853	3,000,000	100.00%	\$ 40,834	\$ 1,331	\$ -	Notes 2 and 3
Princere Real Estate Co., Ltd. Times Square International Holding Company	Prince Security & Guard Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	169,340	( 12,577)	-	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%	( 140,797)	( 861)	-	Note 3
	Times Square International Hotel Corp.	Taiwan	Hotels and catering	460,770	460,770	54,750,000	100.00%	721,884	173,085	-	Notes 2 and 3
Prince Industrial Corp.	Times Square International Stays Corp.	Taiwan	Hotels and catering	100,000	225,500	10,000,000	100.00%	133,514	33,700	-	Notes 2 and 3
	Prince Chong-De Industrial Corp.	Taiwan	Development of public housing and building	200,000	-	20,000,000	100.00%	199,702	( 298)	-	Notes 2 and 3
	Prince Da-I-Yi Industrial Corp.	Taiwan	Development of public housing and building	150,000	-	15,000,000	100.00%	149,919	( 81)	-	Notes 2 and 3

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

Note 2: Subsidiary.

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

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

Note 5: The investee increased its capital amounting to \$150,000 by issuing new shares of 15 million shares for the year. The face value and issuance price were both NT\$10 (in dollars)

Note 6: The investee reduced \$46,700 of its capital to cover accumulated deficit by retiring 4,670 thousand issued shares. The Company's investment has been reduced according to its shareholding ratio.

Table 8, Page 2

### Prince Housing & Development Corp. Major shareholders information December 31, 2023

Table 9

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

Table 9, Page 1

**6.6 If the Company and its affiliated enterprises have experienced financial difficulties in the most recent year and as of the date of publication of the annual report, list their impact on the company's financial position:**

None.

# Chapter VII

Annual Report 2023



## Review and Analysis of Financial Conditions, Financial Performance and Risk Management



## VII. Review and Analysis of Financial Conditions, Financial Performance and Risk Management

### 7.1 Financial Status

The main reasons for the major changes in assets, liabilities and shareholders' equity in the last two years and their impacts. If the impact is significant, the future response plan should be explained

Unit: NT\$ thousand

Item \ Year	2023	2022	Difference	
				Percentage
Current Assets	21,418,747	23,027,702	(1,608,955)	-6.99
Financial Asset (non-current)	3,647,128	3,413,002	234,126	6.86
Equity Method Investment	1,919,512	1,907,292	12,220	0.64
Property, Plant and Equipment	5,466,796	5,514,126	(47,330)	-0.86
Right-of-Use Assets	6,110,343	6,263,451	(153,108)	-2.44
Investment Property	5,326,909	5,399,644	(72,735)	-1.35
Intangible Assets	1,812,715	1,874,174	(61,459)	-3.28
Other Assets	548,702	554,423	(5,721)	-1.03
<b>Total Assets</b>	<b>46,250,852</b>	<b>47,953,814</b>	<b>(1,702,962)</b>	<b>-3.55</b>
Current Liabilities	4,415,529	10,642,643	(6,227,114)	-58.51
Long-term Liabilities	7,820,000	3,120,000	4,700,000	150.64
Other Liabilities	8,038,791	8,206,824	(168,033)	-2.05
<b>Total Liabilities</b>	<b>20,274,320</b>	<b>21,969,467</b>	<b>(1,695,147)</b>	<b>-7.72</b>
Share Capital	16,233,261	16,233,261	0	0
Capital Surplus	2,260,513	2,260,513	0	0
Retained Earnings	5,817,922	6,042,704	(224,782)	-3.72
Other Equity	1,411,353	1,184,285	227,068	19.17
Treasure Stock	(1,003)	(1,003)	0	0.00
Non-Controlling Interest	254,486	264,587	(10,101)	-3.82
<b>Total Equity</b>	<b>25,976,532</b>	<b>25,984,347</b>	<b>(7,815)</b>	<b>-0.03</b>

The change exceeds 20% in the last two years:

1. Decrease in current liabilities: Mainly due to the decrease in long-term borrowings due within one year.
2. Increase in long-term liabilities: Mainly due to the issuance of corporate bonds in 2023 and the increase in long-term borrowings due within one year.

### 7.2 Analysis on Financial Performance

The main reasons for the major changes in operating income, operating net profit and pre-tax net profit for the last two years and the expected sales volume and its basis, the possible impact on the company's future financial business and the corresponding plan.

Unit: NT\$ thousand

Item	2023	2022	Difference Amount	Percentage of Change
Operating Revenue	8,485,421	12,798,527	(4,313,106)	-33.70
Less: Sales Returns and Discounts	(192)	(29,749)	(29,557)	-99.35
Net Operating Revenue	8,485,229	12,768,778	(4,283,549)	-33.55
Operating Cost	(5,981,704)	(8,826,908)	(2,845,204)	-32.23
Gross Profit	2,503,525	3,941,870	(1,438,345)	-36.49
Operating Expenses	(1,875,908)	(1,969,272)	(93,364)	-4.74
Operating Income	627,617	1,972,598	(1,344,981)	-68.18
Interest Revenue	82,704	20,283	62,421	307.75
Other Revenue	244,901	393,680	(148,779)	-37.79
Other Income and Losses	16,890	(589,198)	606,088	102.87
Financial Cost	(347,708)	(330,533)	17,175	-5.20
Share of profit and loss of affiliated companies and joint ventures using the equity method	101,161	101,570	(409)	-0.40
Profit Before Tax	725,565	1,568,400	(842,835)	-53.74
Tax Benefit (Expense)	(140,578)	(126,244)	14,334	11.35
Profit After Tax	584,987	1,442,156	(857,169)	-59.44
The change exceeds 20% for the last two years: <ol style="list-style-type: none"> <li>1. Decrease in Operating Revenue, sales returns and discounts, Operating Income, Profit Before Tax and Profit After Tax: Mainly due to the decrease in customer contract revenue.</li> <li>2. Decrease in Operating Cost: Mainly due to the decrease in inventory costs.</li> <li>3. Increase in Interest Revenue: Mainly due to the increase in interest rates for bank deposit interest and bond and bill interest.</li> <li>4. Decrease in Other Revenue: Mainly due to the decrease in dividend income.</li> <li>5. Increase in Other Income: Mainly due to the increase in interests in financial assets measured at fair value through profit or loss.</li> </ol>				

### 7.3 Cash Flow

Unit: NT\$ thousand

Opening Cash and Cash Equivalent Balance (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Remedies for Cash Deficit	
				Investment Plans	Financing Plans
9,999,828	1,685,297	(3,334,324)	8,350,801	None	None

### 7.3.1 Cash Flow Analysis for the Year 2022

Cash inflow (outflow) from operating activities :	1,685,297
Cash inflow (outflow) from investing activities :	(1,109,804)
Cash inflow (outflow) from financing activities :	(2,224,520)
Foreign exchange adjustment	0

### 7.3.2 Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2023	2022	Variance
Cash Flow Ratio (%)	38.17	54.61	-30%
Cash Flow Adequacy Ratio (%)	470.93	424.07	11%
Cash Reinvestment Ratio (%)	3.08	21.08	-85%

The change exceeds 20% for the last two years:

1. Cash Flow Ratio: Mainly due to the decrease in net profit before tax for the current period.
2. Cash Reinvestment Ratio: Mainly due to the decrease in pre-tax net profit and increase in working capital for the current period.

### 7.3.3 Analysis of Cash Liquidity for the Current Year

Unit: NT\$ thousand

Opening Cash and Cash Equivalent Balance (1)	Budgeted Net Cash Flow From Operating Activities (2)	Budgeted Cash Outflow (3)	Budgeted Cash Surplus (1)+(2)-(3)	Planned Remedy for Cash Deficit	
				Investment Plans	Financing Plans
8,350,801	1,601,032	(3,501,040)	6,450,793	None	None
<p>A. Analysis of cash flow changes in this year :</p> <p>a. Cash flow from operating activities: Due to the scheduled development plans in 2024 are affected by the global pandemic, it is estimated that cash flow from operating activities is only generated from the sales of the completed cases with existing schedule.</p> <p>b. Cash flow from investing activities: No net cash outflow from major investing activities is expected in 2024.</p> <p>c. Cash flow from financing activities: The estimated net cash outflow in 2024 includes repayment of bank loans and cash dividend payment.</p> <p>B. Planned remedy for cash deficit and liquidity analysis: N/A.</p>					

### 7.4 Impact of Major Capital Expenditures on Financial Status

The major capital expenditure for the year of 2023 was mainly financed by cash inflows from operating activities.

### 7.5 Reinvestment Policy, the Main Reason for its Profit or Loss, Improvement Plan and Investment Plan for the Coming Year

1.The affiliated companies and joint ventures invested by the equity method include Geng-Ding Co., Ltd., Uni-President Development Corp., Amida Tustlink Assets Management Co., Ltd., PPG Investment Inc., and Queen Holdings Ltd. etc. The purpose of the investment is mainly related to the needs of the relevant business operation and the recognition of investment income. The investment benefits recognized in 2023 is NT\$101,161 thousand dollarz.

2.Major investment plans expected in the coming year:

The 100% owned subsidiary of the Company, Prince Industrial Corp., invested and wholly owned subsidiaries, Prince Chong-De Industrial Corp. and Prince Da-Li-Yi Industrial Corp. The bids of “Taichung City 31 Public Market BOT Project” and “Taichung City Dali District BOT Project” were obtained and in order to supplement its working capital needs, it is expected to increase capital in stages according to the operating plan in the coming year.

### 7.6 Risks Should Be Analyzed and Evaluated in the Recent Years and the Following Matters as of the Date of Publication of the Annual Report

#### A. The Impact of Changes in Interest Rate, Exchange Rate, and Inflation on the Corporate Finance and Future Countermeasures

1. The impact of interest rate changes on the corporate finance and future countermeasures:  
As of the end of 2023 and the first quarter of 2024, the Company’s long-term and short-term loans amounted to NT\$9,351,000 thousand dollar and NT\$9,346,000 thousand dollar, respectively, and financial costs were NT\$347,708 thousand dollar and NT\$86,732 thousand dollar. The government is concerned about the housing market and the impact of low interest rates. In the short term, it will focus on continuing policies and stabilizing the market. Therefore, the Company's capital allocation will continue to adopt a flexible approach in order to achieve better financial synergy.
2. The impact of exchange rate changes on the corporate finance and future countermeasures:  
The business nature of the Company is mainly domestic demand industries. So far, overseas investments have had little impact on the Company’s operations. The fluctuations in exchange rates have only adjusted the amount of net investment impacts on foreign operations, and have no significant impact on the Company’s profit or loss.
3. The impact of inflation on the corporate finance and future countermeasures:  
Looking forward to 2024, the pace of recovery will continue, but the risk of inflation will increase, which will affect the domestic business cycle deeply. The demand for major construction projects has slowed down, but the regional supply of raw materials is still in short supply, so it is expected that the costs of various building materials and labor will fluctuate. The Company will continue to implement raw material bargaining and comparison to achieve the best cost-effectiveness.

**B. The Policies of Engaging in High-risk and Highly Leveraged Investment, Capital Lending, Endorsement and Guarantees, and Derivatives Trading, the Main Reason for the Company's Profit or Loss and the Countermeasures.**

1. During the year of 2023 and as of May 15, 2024, the Company did not engage in transactions related to high-risk, highly leveraged investments and derivatives trading.
2. As of the end of 2023 and the first quarter of 2024, the actual amount of the Company's capital lending to others was NT\$0 and NT\$0 dollar, respectively. The endorsements and guarantees for others was NT\$1,700,000 and NT\$1,650,000 in thousand dollar. These amounts described above are under Prince Housing & Development Corp., the subsidiaries and affiliated companies with business transactions etc., and shall be handled in accordance with Procedures for Loaning Funds to Others and Procedures for Endorsement and Guarantee Implementation.

**C. Future Research & Development Plan and Budgeted Research & Development Expenses:**

None.

**D. The Impact of Changes in Domestic and Foreign Policies and Regulations on Corporate Finance and Countermeasures.**

1. The impact on the corporate finance:
  - **Construction:** Various policies to stabilize house prices continue to be implemented, such as the suppression of taxation systems, trust management accounts, and the tightening of license examinations, etc., which have a certain degree of restrictions on the use of funds of the Company.
  - **Hospitality:** In order to promote the development of the tourism, the Tourism Bureau of the Ministry of Communications has successively launched various tourist subsidies such as "Expanding Marketing in Ten Key Countries", "Exploiting Multiple Markets", "Travel Industry Counseling Management", "Safe Travel Subsidy 2.0", "Safe Travel Project", "Stimulus Voucher" and "Domestic Travel Voucher" etc. The southbound policy encourages travelers to come to Taiwan for tourism and actively promotes the development of the tourism industry.
2. Countermeasures:
  - **Construction:** According to the regional characteristics, launch products that meet the needs of the market; at the same time, issue corporate bonds, increase other active capital sources, reduce the cost of capital and less rely on bank financing.
  - **Hospitality:** Conform to industry trends and policies, integrate the Company's resources into real estate and tourist hotels investment, and inject long-term stable income.

**E. The Impact of Changes in Technology and Industry on Corporate Finance and Countermeasures.**

For the construction business, the industry is relatively mature in technology. The environmental

impact of industrial prosperity is greater than changes in technology. Effective cost control, prudent investment and talent cultivation are the three arrows of the Company's fight against recession. We adhere to our industry, focus on enterprise growth and thrive on the development of diverse industries, increase profits while operating steadily, and have achieved remarkable results. Through the advanced technology and management expertise, the profits from BOT accommodation and international five-star hotels have been steadily growing, and the stable profits from the hospitality and lodging department can enhance the overall performance of the Company's operations and achieve mutual benefits.

**F. Impact of Changes in Corporate Image on Corporate Crisis Management and Countermeasures**

During the year of 2023 and as of May 15, 2024, the Company did not report any adverse corporate image. The Company has traditionally built a high-quality corporate image of "Three Goods and One Fair". In recent years, it has continued to build cloud systems, promote Prince's APP, sponsor arts and cultural activities and social care, etc., and actively maintain and enhance its corporate brand.

**G. Expected Benefits, Possible Risks and Countermeasures for Merger & Acquisition:**

None.

**H. Expected Benefits, Possible Risks and Countermeasures for Plant Expansion:**

None.

**I. Risks and Countermeasures for Centralization of Purchases or Sales:**

None.

**J. The Impact, Risks and Countermeasures of the Substantial Transfer or Replacement of Equity from Directors, Supervisors or Major Shareholders Who Hold More Than 10% of the Shares:**

None.

**K. The Impact, Risk and Countermeasures of the Change in Management Rights of the Company:**

None.

**L. Litigation or Non-Litigation Events:**

None.

**M. Other Important Risks and Countermeasures:**

None.

**7.7 Other Important Matters**

None.



# Chapter VIII

Annual Report 2023



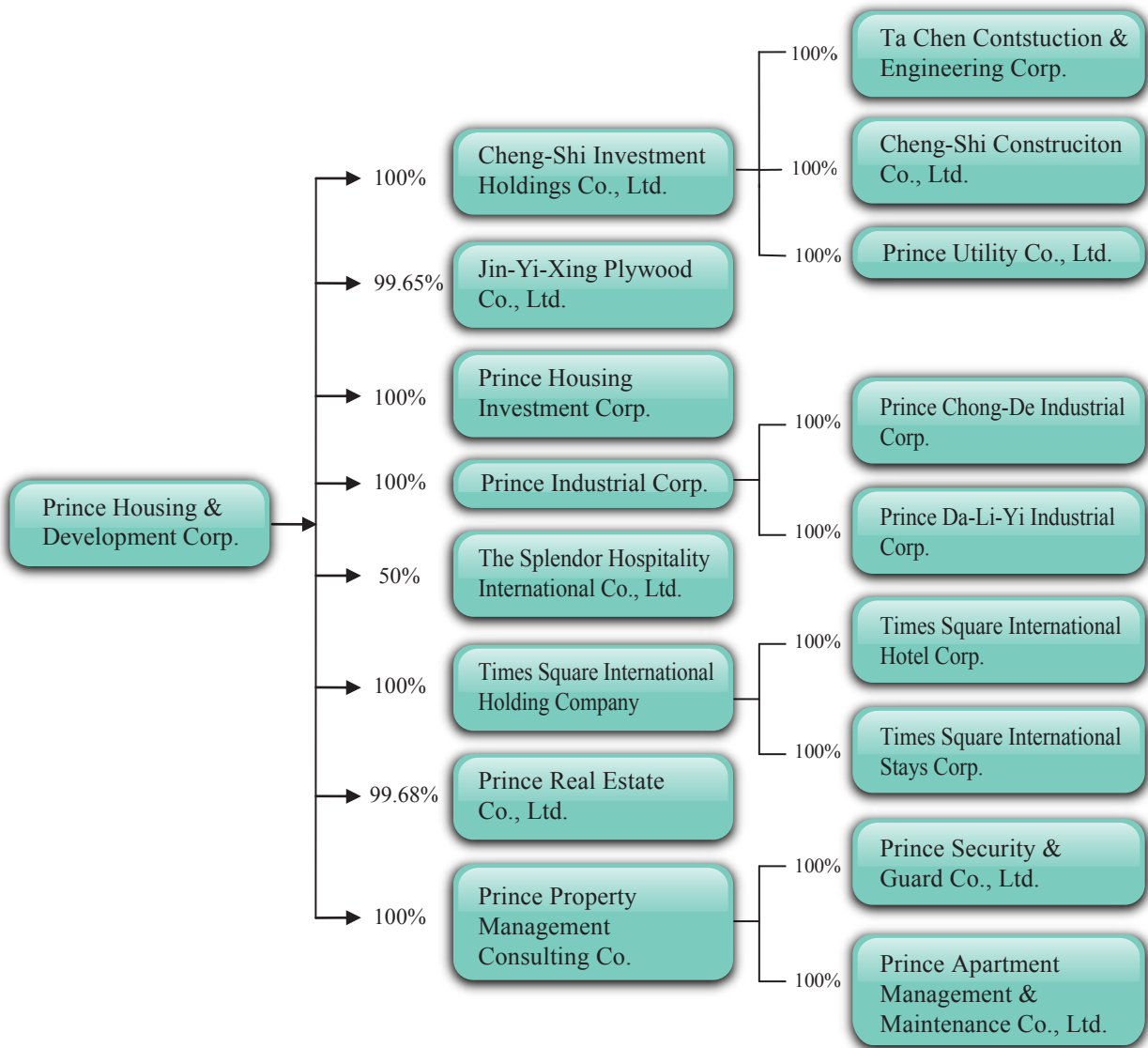
## Special Disclosure

### VIII. Special Disclosure

#### 8.1 Information of Related Parties

##### 8.1.1 Consolidated Financial Statement of the Affiliated Enterprises

###### A. Organizational Structure of Affiliated Enterprises





**B. Basic Information of Affiliated Enterprises**

Unit: NT\$ thousand

Name of Corporation	Founded Date	Address	Capital	Major Business/Production Items
Prince Housing & Development Corp.	1973.09.22	8F, No. 398, Section 1, Zhonghua E. Rd, East Dist., Tainan City	16,233,261	Residential buildings, commercial buildings, sales or rent of parking lots
Cheng-Shi Investment Holdings Co., Ltd	2013.03.13	19F, No. 30, Zhongzheng S. Rd, Yongkang Dist., Tainan City	1,493,650	Investment
Ta Chen Construction & Engineering Corp	1959.05.11	8F, No. 398, Section 1, Zhonghua E. Rd, East Dist., Tainan City	1,226,168	Architecture design and construction
Cheng-Shi Construction Co., Ltd	1976.01.22	19F, No. 30, Zhongzheng S. Rd, Yongkang Dist., Tainan City	201,000	Construction
Prince Utility Co., Ltd.	1977.03.01	19F, No. 30, Zhongzheng S. Rd, Yongkang Dist., Tainan City	30,700	Electric power and water supply setup
Prince Property Management Consulting Co.	1992.11.09	2F, No. 376, Gongyuan South Rd., North District, Tainan City	171,466	Management on the leasing of residential and commercial buildings
Prince Security & Guard Co., Ltd.	2000.04.07	2F, No. 378, Gongyuan South Rd., North District, Tainan City	131,726	Security and guard service
Prince Apartment Management & Maintenance Co., Ltd.	1996.08.05	2F, No. 376, Gongyuan South Rd., North District, Tainan City	30,000	Apartment management and maintenance service
Times Square Int. Holding Company	2019.02.26	21F, No. 11, Songgao Rd, Xinyi Dist., Taipei City	574,300	Investment
Times Square Int. Hotel Corp.	2007.01.22	No. 10, Section 5, Zhongxiao E. Rd, Xinyi Dist., Taipei City	547,500	Hospitality
Times Square Int. Stays Corp.	2018.07.02	No. 7 Linsen S. Rd., Zhongzheng Dist., Taipei City	100,000	Hospitality
The Splendor Hospitality Int. Co., Ltd.	2006.10.25	No. 1049 Jianxing Rd, West Dist., Taichung City	650,000	Hospitality
Prince Housing Investment Corp.	1996.06.27	Citco Building Wickhams Cay.	140,413 (Note)	Overseas investment
Jin-Yi-Xing Plywood Co., Ltd.	1969.03.10	PO Box 622, Road Town, Tortol, British Virgin Islands	39,520	Plywood manufacture
Prince Real Estate Co., Ltd.	2015.09.24	18F, No. 30, Zhongzheng S. Rd, Yongkang Dist., Tainan City	123,317	Plywood manufacture and real estate sales
Prince Industrial Corp	2013.02.27	21F, No. 11, Songgao Rd, Xinyi Dist., Taipei City	450,000	Development of residential and commercial buildings
Prince Chong-De Industrial Corp.	2023.09.13	14F, No. 416, Section 2, Chongde Rd, Beitun Dist., Taichung City	200,000	Development of residential and commercial buildings
Prince Da-Li-Yi Industrial Corp.	2023.12.14	14F, No. 416, Section 2, Chongde Rd, Beitun Dist., Taichung City	150,000	Development of residential and commercial buildings

Note: The affiliated enterprise is a foreign company. The exchange rate for its conversion shall be the exchange rate stipulated in paragraph 28 of Financial Accounting Standards Bulletin No. 14 "Accounting Standards for Foreign Currency Translation".

**C. Shareholder Information of Presumption of Having Control and Affiliation**

None.

**D. Industries Covered by the Overall Enterprises**

- The business operations of the Company and its affiliates include construction, civil construction, power and water pipe installation, overseas investment, housing sales agency, apartment management and maintenance, security and guard services, hotels and lodges, amusement parks, plywood manufacturing and processing, etc.
- Business relationship between the Company and its affiliated enterprises as following:
  - The engineering projects are undertaken by Ta Chen Construction & Engineering Corp. and Cheng-Shi Construction Co., Ltd. for civil engineering, and the electric power and water pipe equipment are contracted to Prince Utility Co., Ltd.
  - In order to maintain the after-sales service quality and safety management of the proposed cases, some of the cases are managed by Prince Apartment Management & Maintenance Co., Ltd. and Prince Security & Guard Co., Ltd.

**E. Names of Directors, Supervisors and General Managers of Affiliated Enterprises and Their Shareholding or Capital Contribution to the Company**

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Percentage
Prince Housing & Development Corp.	Chairman	Uni-President Enterprises Corp.	162,743,264	10.02%
	Chairman (Uni-President Rep.)	Chih-Hsien Lo	-	-
	Director	Chao-Mei Wu Tseng	42,956,030	2.65%
	Director	Uni-President Enterprises Corp.	162,743,264	10.02%
	Director (Uni-President Rep.)	Tsung-Ping Wu	-	-
	Director	Taipo Inv. Co., Ltd.	116,730,587	7.19%
	Director (Taipo Rep.)	Ping-Chih Wu	12,888,695	0.79%
	Director	Young Yuan Inv. Co., Ltd.	16,201,463	1.00%
	Director (Young Yun Rep.)	Chung-Ho Wu	5,209,847	0.32%
	Director	Taipo Inv. Co., Ltd.	116,730,587	7.19%
	Director (Taipo Rep.)	Chien-Te Wu	9,656,943	0.59%
	Director	Hong Yao Inv. Cp., Ltd.	2,346,491	0.14%
	Director (Hong Yao Rep.)	Shih-Hung Chuang	2,657,748	0.16%
	Director	Sheng Yuan Inv. Co., Ltd.	2,086,986	0.13%

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Percentage
Prince Housing & Development Corp.	Director (Sheng Yuan Rep.)	Po-Yi Hou	13,701,215	0.84%
	Director	Yu Peng Inv. Co., Ltd.	1,169,975	0.07%
	Director (Yu Pong Rep.)	Po-Ming Hou	10,980,624	0.68%
	Director	Ruixing Intl. Inv. Co., Ltd.	47,584,139	2.93%
	Director (Ruixing Rep.)	Ying-Chih Chuang	310,020	0.02%
	Director	Kao Chyuan Inv. Co., Ltd.	68,464,308	4.22%
	Director (Kao Chyuan Rep.)	Hsiu-Ling Kao	425,013	0.03%
	Director	Hsin Yung Hsing Inv. Co., Ltd.	26,471,128	1.63%
	Director (Hsin Yung Hsing Rep.)	Chih-Yuan Hou	11,330	0.00%
	Independent Director	Peng-Ling Nie	16,954	0.00%
	Independent Director	Tse Hsiang Ting	-	-
	Independent Director	Meng-Hsiu Chen	-	-
	Independent Director	Chen-Ming Chang	-	-
	Independent Director	Jun-Shen Tseng	-	-
	President	Hung-Chun Lin	70,000	-
Cheng-Shi Investment Holdings Co., Ltd.	Director and Supervisor	Prince Housing & Development Corp.	149,365,000	100.00%
		149,365,000	100.00%	-
	Chairman (Prince Rep.)	Chih-Hsien Lo	-	-
	Director (Prince Rep.)	Ming-Fan Xie	-	-
	Director (Prince Rep.)	Po-Ming Hou	-	-
	Director (Prince Rep.)	Chung-Ho Wu	-	-
	Director (Prince Rep.)	Tsung-Ping Wu	-	-
Ta Chen Construction & Engineering Corp.	Director and Supervisor	Cheng-Shi Inv. Holdings Co., Ltd.	-	-
		122,616,762	100.00%	-
	Chairman (Cheng-Shi Inv. Rep.)	Rong-Tian Zhang	-	-
	Director (Cheng-Shi Inv. Rep.)	Hung-Chun Lin	-	-
	Director (Cheng-Shi Inv. Rep.)	Chun-Cheng Kuo	-	-
Cheng-Shi Construction Co., Ltd.	Director and Supervisor	Cheng-Shi Inv. Holdings Co., Ltd.	20,100,000	100.00%
	Chairman (Cheng-Shi Inv. Rep.)	Ming-Fan Xie	-	-
	Director (Cheng-Shi Inv. Rep.)	Chun-Long Tsai	-	-
	Director (Cheng-Shi Inv. Rep.)	Xiao-Yu Chiang	-	-
	Supervisor (Cheng-Shi Inv. Rep.)	Hung-Chun Lin	-	-

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Percentage
Prince Utility Co., Ltd.	Director and Supervisor	Cheng-Shi Inv. Holdings Co., Ltd.	3,070,000	100.00%
	Chairman (Cheng-Shi Inv. Rep.)	Ming-Fan Xie	-	-
	Director (Cheng-Shi Inv. Rep.)	Xin-Hui Li	-	-
	Director (Cheng-Shi Inv. Rep.)	Jian-Ying Wu	-	-
	Director (Cheng-Shi Inv. Rep.)	Wen-Zhen Chiu	-	-
	Supervisor (Cheng-Shi Inv. Rep.)	Chun-Liang Lin	-	-
Prince Property Management Consulting Co.	Director and Supervisor	Prince Housing & Development Corp.	17,146,580	100.00%
	Chairman (Prince Rep.)	Ming-Fan Xie	-	-
	Director (Prince Rep.)	Chih-Hsien Lo	-	-
	Director (Prince Rep.)	Tsun-Jen Cheng	-	-
	Director (Prince Rep.)	Po-Ming Hou	-	-
	Director (Prince Rep.)	Chung-Ho Wu	-	-
	Supervisor (Prince Rep.)	Chun-Cheng Kuo	-	-
Prince Security & Guard Co., Ltd.	Director and Supervisor	Prince Property Management Consulting Co.	13,172,636	100.00%
	Chairman (Prince Property Rep.)	Ming-Fan Xie	-	-
	Director (Prince Property Rep.)	Tsun-Jen Cheng	-	-
	Director (Prince Property Rep.)	Wen-Zhen Chiu	-	-
	Director (Prince Property Rep.)	Chun-Cheng Kuo	-	-
	Director (Prince Property Rep.)	Xiao-Yu Chiang	-	-
Prince Apartment Management & Maintenance Co., Ltd.	Supervisor (Prince Property Rep.)	Da-Chang Tai	-	-
	Director and Supervisor	Prince Property Management Consulting Co.	3,000,000	100.00%
	Chairman (Prince Property Rep.)	Chun-Liang Lin	-	-
	Director (Prince Property Rep.)	Hung-Chun Lin	-	-
	Director (Prince Property Rep.)	Chun-Cheng Kuo	-	-
Times Square Int. Holding Company.	Supervisor (Prince Property Rep.)	Da-Chang Tai	-	-
	Director and Supervisor	Prince Housing & Development Corp.	57,430,000	100.00%
	Chairman (Prince Rep.)	Chih-Hsien Lo	-	-
	Director (Prince Rep.)	Chao-Mei Wu Tseng	-	-
	Director (Prince Rep.)	Hsiu-Ling Kao	-	-
	Director (Prince Rep.)	Po-Ming Hou	-	-
	Director (Prince Rep.)	Po-Yi Hou	-	-
	Director (Prince Rep.)	Chung-Ho Wu	-	-
	Director (Prince Rep.)	Ying-Chih Chuang	-	-
	Director (Prince Rep.)	Chien-Te Wu	-	-
	Director (Prince Rep.)	Ping-Chih Wu	-	-
	Director (Prince Rep.)	Shih-Hung Chuang	-	-
	Director (Prince Rep.)	Tsung-Ping Wu	-	-
	Director (Prince Rep.)	Chih-Yuan Hou	-	-
	Supervisor (Prince Rep.)	Jing-Xing Chen	-	-

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Percentage
Times Square Int. Hotel Corp.	Director and Supervisor	Times Square Int. Holding Co.	54,750,000	100.00%
	Chairman (Times Square Int. HLD. Rep.)	Chih-Hsien Lo	-	-
	Director (Times Square Int. HLD. Rep.)	ChihYuan Hou	-	-
	Director (Times Square Int. HLD. Rep.)	Chao-Mei Wu Tseng	-	-
	Director (Times Square Int. HLD. Rep.)	Hsiu-Ling Kao	-	-
	Director (Times Square Int. HLD. Rep.)	Po-Ming Hou	-	-
	Director (Times Square Int. HLD. Rep.)	Po-Yi Hou	-	-
	Director (Times Square Int. HLD. Rep.)	Chung-Ho Wu	-	-
	Director (Times Square Int. HLD. Rep.)	Ying-Chih Chuang	-	-
	Director (Times Square Int. HLD. Rep.)	Chien-Te Wu	-	-
	Director (Times Square Int. HLD. Rep.)	Ping-Chih Wu	-	-
	Director (Times Square Int. HLD. Rep.)	Shih-Hung Chuang	-	-
	Director (Times Square Int. HLD. Rep.)	Tsung-Ping Wu	-	-
	Supervisor (Times Square Int. HLD. Rep.)	Jing-Xing Chen	-	-
Times Square Int. Stays Corp.	Director and Supervisor	Times Square Int. Holding Co.	10,000,000	100.00%
	Chairman (Times Square Int. HLD. Rep.)	Chih-Hsien Lo	-	-
	Director (Times Square Int. HLD. Rep.)	Po-Ming Hou	-	-
	Director (Times Square Int. HLD. Rep.)	Shih-Hung Chuang	-	-
	Supervisor (Times Square Int. HLD. Rep.)	Tsung-Ping Wu	-	-
The Splendor Hospitality Int. Co., Ltd.	Chairman	Prince Housing & Development Corp.	32,500,000	50.00%
	Chairman (Prince Rep.)	Ming-Fan Xie	-	-
	Director (Prince Rep.)	Chun-Liang Lin	-	-
	Director (Prince Rep.)	Jing-Xing Chen	-	-
	Vice Chairman	CMP Group	32,500,000	50.00%
	Vice Chairman (CMP Group Rep.)	Sheng-Wei Mai	-	-
	Director (CMP Group Rep.)	Kun-Nan Chung	-	-
	Director (CMP Group Rep.)	Shi-Gang He	-	-
	Supervisor	Hung-Yu Wu	-	-
	Supervisor	Pei-Chang Wang	-	-

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Percentage
Prince Housing Inv. Corp.	Chairman	Prince Housing & Development Corp.	3,938,168	99.65%
	Chairman (Prince Rep.)	Chun-Cheng Kuo	-	-
Jin-Yi-Xing Plywood Co., Ltd.	Chairman	Prince Housing & Development Corp.	3,938,168	99.65%
	Chairman (Prince Rep.)	Da-Chang Tai	-	-
	Director (Prince Rep.)	De-Sheng Zheng	-	-
	Director (Prince Rep.)	Hung-Yu Wu	-	-
	Supervisor	Bao-Zhu Kuo	-	-
Prince Real Estate Co., Ltd.	Chairman	Prince Housing & Development Corp.	12,292,315	99.68%
	Chairman (Prince Rep.)	Chih-Hsien Lo	-	-
	Director (Prince Rep.)	Po-Yi Hou	-	-
	Director (Prince Rep.)	Po-Ming Hou	-	-
	Director (Prince Rep.)	Chung-Ho Wu	-	-
	Director (Prince Rep.)	Tsung-Ping Wu	-	-
	Director (Prince Rep.)	Ming-Fan Xie	-	-
	Director (Prince Rep.)	Chun-Cheng Kuo	-	-
	Director (Prince Rep.)	Tsun-Jen Cheng	-	-
	Supervisor	Jing-Xing Chen	-	-
	Supervisor	Zheng-Yang Lin	-	-
Prince Industrial Corp.	Chairman	Prince Housing & Development Corp.	45,000,000	100.00%
	Chairman (Prince Rep.)	Hung Chun Lin	-	-
	Director (Prince Rep.)	Chun-Cheng Kuo	-	-
	Director (Prince Rep.)	Chun-Liang Lin	-	-
	Supervisor	Da-Chang Tai	-	-
Prince Chong-De Industrial Corp.	Chairman	Prince Industrial Corp.	20,000,000	100.00%
	Chairman (Prince Industrial Rep.)	Hung Chun Lin	-	-
	Director (Prince Industrial Rep.)	Xiao-Yu Chiang	-	-
	Director (Prince Industrial Rep.)	Shu-Ching Chang	-	-
Prince Da-Li-Yi Industrial Corp.	Supervisor	Chun-Liang Lin	-	-
	Chairman	Prince Industrial Corp.	15,000,000	100.00%
	Chairman (Prince Industrial Rep.)	Hung Chun Lin	-	-
	Director (Prince Industrial Rep.)	Xiao-Yu Chiang	-	-
	Director (Prince Industrial Rep.)	Shu-Ching Chang	-	-
	Supervisor	Chun-Liang Lin	-	-

### 8.1.2 Operation Overview of Affiliated Enterprises

Unit: NT\$ thousand; except for EPS in NT\$

Company Name	Capital	Total Assets	Total Liabilities	Nat Value	Operating Revenue	Operating Profit	Net Income	EPS
Prince Housing & Development Corp.	16,233,261	33,537,932	7,815,886	25,722,046	1,171,918	85,597	592,617	0.37
Cheng-Shi Inv. Holdings Co., Ltd.	1,493,650	1,619,186	20,365	1,598,821	-	(193)	151,890	1.02
Ta Chen Construction & Engineering Corp.	1,226,168	2,473,073	1,151,713	1,321,360	4,194,305	176,482	151,886	1.24
Cheng-Shi Construction Co., Ltd.	201,000	316,299	114,799	201,500	17,461	(14,757)	5,969	0.30
Prince Utility Co., Ltd.	30,700	49,580	18,591	30,989	21,327	(11,537)	(6,607)	(2.15)
Prince Property Management Consulting Co.	171,466	270,736	45	270,691	-	(702)	(10,920)	(0.64)
Prince Security & Guard Co., Ltd.	131,726	200,217	30,877	169,340	231,964	(18,459)	(12,577)	(0.95)
Prince Apartment Management & Maintenance Co., Ltd.	30,000	63,525	22,691	40,834	159,153	985	1,331	0.44
Times Square International Holding Co.	574,300	961,988	80	961,908	206,784	206,592	206,632	3.60
Times Square International Hotel Corp.	547,500	5,722,012	5,000,128	721,884	1,685,702	280,441	173,085	3.16
Times Square International Stays Corp.	100,000	2,022,749	1,889,235	133,514	317,441	60,320	33,700	3.37
The Splendor Hospitality International Co., Ltd.	650,000	5,278,108	4,773,942	504,166	757,453	54,793	(15,348)	(0.24)
Prince Housing Investment Corp. (Note)	140,413	682,064	52	682,012	-	(185)	44,587	105,407.26
Jin-Yi-Xing Plywood Co., Ltd.	39,520	5,579	390	5,189	-	(147)	(118)	(0.03)
Prince Real Estate Co., Ltd.	123,317	796,695	51,404	745,291	15,951	6,701	13,852	1.12
Prince Industrial Corp	450,000	447,300	335	446,965	-	(3,518)	(2,154)	(0.05)
Prince Chong-De Industrial Corp.	200,000	384,028	184,326	199,702	-	(620)	(298)	(0.01)
Prince Da-Li-Yi Industrial Corp.	150,000	150,104	185	149,919	-	(130)	(81)	(0.01)

Note: The affiliated company is a foreign company, and its conversion rate is the exchange rate specified in paragraph 28 of the Financial Accounting Standards Bulletin No. 14 "Accounting Standards for Foreign Currency Conversion".

### 8.1.2 Consolidated Financial Statements of Affiliated Enterprises

The consolidated financial statements of the affiliated enterprises are the same as the Company's consolidated financial statements. Please refer to Chapter 6: Financial Information.

### 8.1.3 Reports of Relationship

None.

### 8.2 Private Placement Securities in Recent Year and as of the Date of this Annual Report

None.

### 8.3 The Status of the Company's Common Shares Acquired, Disposed of, or Held by the Subsidiaries

Unit: NT\$ thousand; %

Name of Subsidiary	Capital	Source of Fund	Shareholding Percentage of the Company	Date of Acquisition or Disposal	No. of Shares and Amount of Acquisition	No. of Shares and Amount of Disposal	Gain /Loss	No. of Shares and Amount Held as of the Date of Publication of the Annual Report	Mortgage	Endorsement and Guarantees made by the Company	Capital Lending to the Subsidiary from the Company
Prince Apartment Management & Maintenance Co., Ltd.	\$30,000 (Note 1)	Working Capital	100%	None	0	0	0	655,424 shares	None (Note 2)	0 (Note 2)	0 (Note 2)
					0	0		\$7,275			

Note 1: Prince Apartment Management & Maintenance Co., Ltd. is the subsidiary of Prince Property Management Consulting Co., which is the subsidiary of Prince Housing & Development Corp.

Note 2: As of May 15, 2024.

### 8.4 Other Necessary Supplement

None.

### 8.5 Any Events in Recent Year and Up to the Date of the Annual Report Published that Had Material Impacts on Shareholders' Interests and Securities Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan

None.





太子建設

Prince Housing&Development Corp.