PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REVIEW REPORT OF INDEPENDENT

ACCOUNTANTS

JUNE 30, 2016 AND 2015

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have reviewed the accompanying consolidated balance sheets of Prince Housing & Development Corp. and its subsidiaries as of June 30, 2016 and 2015, and the related consolidated statements of comprehensive income, for the three months and six months then ended, as well as the statements of changes in equity and of cash flows for the six months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36, "Engagements to Review Financial Statements" in the Republic of China. A review consists primarily of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in Note 4(3), we did not review the financial statements of insignificant consolidated subsidiaries, which statements reflect total assets of NT$4,943,453 thousand and NT$5,072,007 thousand, both constituting 9% of the consolidated total assets, and total liabilities of NT$2,146,338 thousand and NT$2,204,790 thousand, both constituting 7% of the consolidated total liabilities as of June 30, 2016 and 2015, respectively, and total comprehensive income of NT$93,406 thousand, NT$62,266 thousand, NT$157,203 thousand and NT$140,022 thousand, constituting 127%, 33%, 183%, and 54% of the consolidated total comprehensive income for the three months and six months ended June 30, 2016 and 2015, respectively. In addition, as explained in Note 6(10), we did not review the investments accounted for under equity method, which statements reflect share of profit of associates and joint ventures of NT$22,241 thousand, NT$31,971 thousand, NT$41,630 thousand and NT$69,221 thousand for the three months and six months ended June 30, 2016 and 2015, respectively. The related investment amount was NT$1,932,756 thousand (including credit balance reclassified to other non-current liabilities amounting to NT$137,127 thousand) and NT$2,195,824 thousand as of June 30, 2016 and 2015, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of June 30, 2016 and 2015.

資誠聯合會計師事務所 *PricewaterhouseCoopers, Taiwan*
80048 高雄市新興區民族二路95號22樓 / 22F, 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City 80048, Taiwan
T: +886 (7) 237 3116, F: +886 (7) 236 5631, www.pwc.tw

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Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of insignificant subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

PricewaterhouseCoopers, Taiwan

August 2, 2016

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 report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2016 and 2015 are reviewed, not audited)

	Assets	Notes	June 30, 2016 AMOUNT	%	December 31, 2015 AMOUNT	%	June 30, 2015 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,093,525	4	$ 3,800,751	7	$ 3,617,548	7
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	299,908	1	479,761	1	311,126	1
1150	Notes receivable, net	6(3)	151,684	-	135,230	-	95,385	-
1170	Accounts receivable, net	6(4)	894,041	2	1,861,620	3	654,386	1
1180	Accounts receivable - related parties	7	62,143	-	428,646	1	463,451	1
1190	Receivables from customers on construction contracts	6(5)	1,599,295	3	1,347,958	2	1,320,938	2
1200	Other receivables	9	204,784	-	69,310	-	74,611	-
130X	Inventories, net	5(2), 6(6) and 8	22,924,136	44	22,209,890	41	22,048,625	41
1410	Prepayments		469,175	1	310,651	-	423,820	1
1476	Other financial assets - current	8	2,274,374	4	1,973,705	4	2,741,398	5
1479	Other current assets	6(7)	428,078	1	341,872	1	618,736	1
11XX	**Total current assets**		31,401,143	60	32,959,394	60	32,370,024	60
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	78,138	-	77,992	-	77,778	-
1523	Available-for-sale financial assets - non-current	6(8) and 8	1,335,434	3	1,564,942	3	1,186,318	2
1543	Financial assets carried at cost - non-current	6(9) and 8	877,800	2	887,529	2	887,529	2
1550	Investments accounted for under equity method	6(10) and 8	2,069,883	4	2,244,485	4	2,195,824	4
1600	Property, plant and equipment, net	6(11) and 8	6,632,757	13	6,742,932	13	6,839,177	13
1760	Investment property - net	6(12) and 8	5,998,182	12	6,043,827	11	6,027,323	11
1780	Intangible assets	6(13)	2,271,477	4	2,302,523	4	2,332,387	5
1840	Deferred income tax assets	6(31)	106,191	-	106,459	-	108,165	-
1920	Refundable deposits	7 and 9	609,907	1	627,584	1	621,866	1
1980	Other financial assets - non-current	8	639,188	1	838,030	2	1,058,489	2
1990	Other non-current assets		89,850	-	80,214	-	98,522	-
15XX	**Total non-current assets**		20,708,807	40	21,516,517	40	21,433,378	40
1XXX	**Total assets**		$ 52,109,950	100	$ 54,475,911	100	$ 53,803,402	100

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2016 and 2015 are reviewed, not audited)

			June 30, 2016		December 31, 2015		June 30, 2015	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(14) and 8	$ 2,661,373	5	$ 2,626,373	5	$ 3,665,584	7
2110	Short-term notes and bills payable	6(15) and 8	469,913	1	1,059,811	2	1,579,832	3
2150	Notes payable		286,168	1	26,699	-	230,327	-
2170	Accounts payable		2,876,907	5	4,198,917	8	3,058,336	6
2190	Payables to customers on construction contracts	6(5)	686,498	1	505,437	1	492,474	1
2200	Other payables		3,022,106	6	1,357,629	3	2,432,388	5
2220	Other payables - related parties	7	51,607	-	169,005	-	77,597	-
2230	Current income tax liabilities		23,614	-	96,030	-	98,980	-
2310	Receipts in advance	6(16)	1,955,565	4	1,875,462	3	2,869,232	5
2320	Long-term liabilities, current portion	6(18) and 8	1,872,682	4	474,592	1	584,870	1
2399	Other current liabilities		61,886	-	20,647	-	94,897	-
21XX	**Total current liabilities**		13,968,319	27	12,410,602	23	15,184,517	28
	Non-current liabilities							
2530	Bonds payable	6(17)	4,500,000	9	4,500,000	8	4,500,000	9
2540	Long-term borrowings	6(18) and 8	7,990,155	15	10,019,911	19	8,602,886	16
2550	Provisions for liabilities - non-current	6(19)	97,543	-	84,517	-	83,472	-
2570	Deferred income tax liabilities	6(31)	417,137	1	416,005	1	495,468	1
2610	Long-term notes and accounts payable		1,174,446	2	1,385,984	3	1,355,512	3
2640	Net defined benefit liability - non-current	6(20)	140,264	-	141,075	-	134,039	-
2645	Guarantee deposits received		140,746	-	135,719	-	136,006	-
2670	Other non-current liabilities	6(10)	207,587	1	207,527	-	70,556	-
25XX	**Total non-current liabilities**		14,667,878	28	16,890,738	31	15,377,939	29
2XXX	**Total liabilities**		28,636,197	55	29,301,340	54	30,562,456	57
	Equity attributable to owners of parent							
	Share capital							
3110	Common stock	6(21)	16,233,261	31	16,233,261	30	16,623,418	31
	Capital surplus	6(22)						
3200	Capital surplus		2,260,513	5	2,260,513	4	1,929,793	3
	Retained earnings	6(23)(31)						
3310	Legal reserve		1,644,576	3	1,420,796	3	1,420,796	2
3350	Unappropriated retained earnings		1,823,003	3	3,508,400	6	1,995,429	4
	Other equity interest	6(24)						
3400	Other equity interest		1,184,698	2	1,409,109	2	987,610	2
3500	Treasury stocks	6(21)	(1,003)	-	(1,003)	-	(60,440)	-
31XX	**Equity attributable to owners of the parent**		23,145,048	44	24,831,076	45	22,896,606	42
36XX	**Non-controlling interest**		328,705	1	343,495	1	344,340	1
3XXX	**Total equity**		23,473,753	45	25,174,571	46	23,240,946	43
3X2X	**Total liabilities and equity**		$ 52,109,950	100	$ 54,475,911	100	$ 53,803,402	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 2, 2016.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

			Three months ended June 30				Six months ended June 30			
			2016		2015		2016		2015	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(26) and 7	$ 2,297,624	100	$ 3,015,255	100	$ 4,109,532	100	$ 5,731,241	100
5000	**Operating costs**	6(6)(30)	(1,454,508)	(63)	(1,916,155)	(64)	(2,638,639)	(64)	(3,684,749)	(64)
5900	**Gross profit**		843,116	37	1,099,100	36	1,470,893	36	2,046,492	36
	Operating expenses	6(30) and 7								
6100	Selling expenses		(74,314)	(4)	(99,915)	(3)	(127,928)	(3)	(180,738)	(3)
6200	General and administrative expenses		(576,452)	(25)	(616,164)	(21)	(1,066,796)	(26)	(1,197,733)	(21)
6000	**Total operating expenses**		(650,766)	(29)	(716,079)	(24)	(1,194,724)	(29)	(1,378,471)	(24)
6900	**Operating profit**		192,350	8	383,021	12	276,169	7	668,021	12
	Non-operating income and expenses									
7010	Other income	6(27)	92,897	4	161,878	6	149,806	4	209,173	4
7020	Other gains and losses	6(2)(28)	(14,789)	(1)	93,280	3	13,372	-	44,495	1
7050	Finance costs	6(6)(29)	(57,683)	(2)	(83,449)	(3)	(129,370)	(3)	(177,802)	(3)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(10)	22,241	1	31,971	1	41,630	1	69,221	1
7000	**Total non-operating income and expenses**		42,666	2	203,680	7	75,438	2	145,087	3
7900	**Profit before income tax**		235,016	10	586,701	19	351,607	9	813,108	15
7950	Income tax expense	6(31)	(29,485)	(1)	(71,528)	(2)	(41,371)	(1)	(104,088)	(2)
8200	**Profit for the period**		$ 205,531	9	$ 515,173	17	$ 310,236	8	$ 709,020	13
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences arising on translation of foreign operations		$ -	-	($ 299)	-	($ 3)	-	($ 299)	-
8362	Other comprehensive loss, before tax, available-for-sale financial assets	6(8)	(131,742)	(6)	(325,427)	(11)	(224,408)	(6)	(448,310)	(8)
8300	**Total other comprehensive loss for the period**		($ 131,742)	(6)	($ 325,726)	(11)	($ 224,411)	(6)	($ 448,609)	(8)
8500	**Total comprehensive income for the period**		$ 73,789	3	$ 189,447	6	$ 85,825	2	$ 260,411	5
	Profit (loss), attributable to:									
8610	Owners of the parent		$ 212,584	9	$ 518,789	17	$ 324,042	8	$ 710,436	13
8620	Non-controlling interest		(7,053)	-	(3,616)	-	(13,806)	-	(1,416)	-
			$ 205,531	9	$ 515,173	17	$ 310,236	8	$ 709,020	13
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 80,842	3	$ 193,063	6	$ 99,631	2	$ 261,827	5
8720	Non-controlling interest		(7,053)	-	(3,616)	-	(13,806)	-	(1,416)	-
			$ 73,789	3	$ 189,447	6	$ 85,825	2	$ 260,411	5
	Earnings per share (in dollars)	6(32)								
9750	**Basic earnings per share**		$ 0.13		$ 0.32		$ 0.20		$ 0.44	
9850	**Diluted earnings per share**		$ 0.13		$ 0.32		$ 0.20		$ 0.44	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 2, 2016.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent									
				Retained earnings		Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
Six months ended June 30, 2015											
Balance at January 1, 2015		$ 16,623,418	$ 1,929,793	$ 1,180,924	$ 2,854,738	$ 1,690	$ 1,434,529	($ 60,440)	$ 23,964,652	$ 346,292	$ 24,310,944
Appropriations and distribution of 2014 earnings											
Legal reserve		-	-	239,872	(239,872)	-	-	-	-	-	-
Cash dividends	6(23)	-	-	-	(1,329,873)	-	-	-	(1,329,873)	-	(1,329,873)
Profit (loss) for the period	6(32)	-	-	-	710,436	-	-	-	710,436	(1,416)	709,020
Other comprehensive loss for the period	6(8)(24)	-	-	-	-	(299)	(448,310)	-	(448,609)	-	(448,609)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(536)	(536)
Balance at June 30, 2015		$ 16,623,418	$ 1,929,793	$ 1,420,796	$ 1,995,429	$ 1,391	$ 986,219	($ 60,440)	$ 22,896,606	$ 344,340	$ 23,240,946
Six months ended June 30, 2016											
Balance at January 1, 2016		$ 16,233,261	$ 2,260,513	$ 1,420,796	$ 3,508,400	$ 1,706	$ 1,407,403	($ 1,003)	$ 24,831,076	$ 343,495	$ 25,174,571
Appropriations and distribution of 2015 earnings											
Legal reserve		-	-	223,780	(223,780)	-	-	-	-	-	-
Cash dividends	6(23)	-	-	-	(1,785,659)	-	-	-	(1,785,659)	-	(1,785,659)
Profit (loss) for the period	6(32)	-	-	-	324,042	-	-	-	324,042	(13,806)	310,236
Other comprehensive loss for the period	6(8)(24)	-	-	-	-	(3)	(224,408)	-	(224,411)	-	(224,411)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(984)	(984)
Balance at June 30, 2016		$ 16,233,261	$ 2,260,513	$ 1,644,576	$ 1,823,003	$ 1,703	$ 1,182,995	($ 1,003)	$ 23,145,048	$ 328,705	$ 23,473,753

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 2, 2016.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30, 2016	Six months ended June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 351,607	$ 813,108
Adjustments			
Income and expenses having no effect on cash flows			
Net gain on financial assets at fair value through profit or loss	6(2)(28)	(20,294)	(110,456)
Write-off of uncollectible accounts	6(3)	(344)	-
Share of profit of associates and joint ventures accounted for under equity method	6(10)	(41,630)	(69,221)
Loss (gain) on disposal of property, plant and equipment		1,380	(92)
Loss on disposal of investment property		1,118	1,709
Depreciation	6(30)	177,545	179,047
Amortization	6(13)(30)	31,079	30,892
Interest expense	6(29)	128,770	177,202
Interest income	6(27)	(4,035)	(4,707)
Dividend income	6(27)	(62,696)	(117,754)
Loss on unrealized foreign exchange		5,517	9,234
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		200,001	37,665
Notes receivable		(16,110)	53,027
Accounts receivable		967,579	4,700,973
Accounts receivable - related parties		366,503	(23,022)
Receivables from customers on construction contracts		(251,337)	(365,048)
Other receivables		42,726	223,516
Inventories		(714,273)	(1,187,510)
Prepayments		(158,524)	6,037
Other current assets		(86,206)	(96,932)
Other non-current assets		(10,015)	(15,045)
Net changes in liabilities relating to operating activities			
Notes payable		259,469	208,300
Accounts payable		(1,322,010)	(1,203,982)
Payable to customers on construction contracts		181,061	141,515
Other payables		(150,626)	7,702
Other payables - related parties		(117,398)	(116,404)
Receipts in advance		80,103	(167,903)
Other current liabilities		41,239	(18,410)
Provisions for liabilities - non-current		13,026	1,752
Net defined benefit liability - non-current		(811)	4,648
Other non-current liabilities		(49)	(48)
Cash (outflow) inflow generated from operations		(107,635)	3,099,793
Interest received		4,035	5,764
Cash dividend received		95,916	117,754
Interest paid		(99,326)	(143,477)
Income tax paid		(112,387)	(130,366)
Net cash flows (used in) from operating activities		(219,397)	2,949,468

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30, 2016	Six months ended June 30, 2015
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other financial assets - current		($ 300,669)	$ 31,561
Decrease in available-for-sale financial assets - non-current		5,100	26,580
Return of share capital from financial assets at cost		9,729	-
Return of share capital from investments accounted for under equity method		-	30,057
Acquisition of property, plant and equipment	6(11)	(25,431)	(18,199)
Proceeds from disposal of property, plant and equipment		52	1,143
Proceeds from disposal of investment property		1,562	1,075
Increase in intangible assets	6(13)	(33)	(284)
Decrease (increase) in refundable deposits		17,677	(84,489)
Decrease (increase) in other financial assets - non-current		198,842	(146,501)
Net cash flows used in investing activities		(93,171)	(159,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		35,000	360,000
Decrease in short-term notes and bills payable		(589,898)	(523,554)
Repayment of long-term borrowings		(2,406,166)	(4,476,635)
Proceeds from long-term borrowings		1,774,500	3,404,340
Decrease in long-term notes and accounts payable		(211,538)	(101,739)
Increase (decrease) in guarantee deposits received		5,027	(541)
Changes in non-controlling interest		(984)	(536)
Net cash flows used in financing activities		(1,394,059)	(1,338,665)
Effect of exchange rate changes on cash and cash equivalents		(599)	(4)
Net (decrease) increase in cash and cash equivalents		(1,707,226)	1,451,742
Cash and cash equivalents at beginning of period		3,800,751	2,165,806
Cash and cash equivalents at end of period		$ 2,093,525	$ 3,617,548

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 2, 2016.

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

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 authorized for issuance by the Board of Directors on August 2, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

None.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2017:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

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

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC effective from 2017:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Classification and measurement of share-based payment transactions (amendments to IFRS 2)	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
Sale of contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and operating result based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 9, 'Financial instruments'

(a)Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

(b)The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses ('ECL') or lifetime ECL (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance).

B. IFRS 15 'Revenue from contracts with customer'

IFRS 15 'Revenue from contracts with customer' replaces IAS 11 'Construction contracts', IAS 18 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer

Step 2: Identify separate performance obligations in the contract(s)

Step 3: Determine the transaction price

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

C. IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation, and certain significant accounting policies enumerated below, the rest of the significant accounting policies are in agreement with those in Note 4 of the consolidated financial statements for the year ended December 31, 2015. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

B. These consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2015.

(2) Basis of preparation

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

(a)Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b)Available-for-sale financial assets measured at fair value.

(c)Defined benefit liabilities recognized based on the net amount of pension fund assets less unrecognized actuarial gains and present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for preparation of the consolidated financial statements as of and for the year ended December 31, 2015.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2016	Ownership (%) December 31, 2015	Description
Prince Housing & Development Corp.	Prince Property Management Consulting Co., Ltd.	Real estate managers	100	100	Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	100	
	Prince Housing Investment Co., Ltd.	Overseas investment	100	100	Note 2
	BioSun Technology Co., Ltd.	Anti-mildew's import and export	100	100	Note 2
	Dong-Feng Enterprises Co., Ltd.	Housebuilders and sales	100	100	Note 2
	The Splendor Hotel Taichung	Hotels and catering	50	50	Note 1
	Time Square International Co., Ltd.	Hotels and catering	100	100	Note 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	Notes 2 and 4
	Prince Industrial Co., Ltd.	Development of public housing and building	100	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.65	99.65	Notes 2 and 4
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Management of apartment	100	100	Note 2
	Prince Security Co., Ltd.	Security	100	100	Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Ta-Chen Construction & Engineering Corp.	Construction	100	100	
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100	100	Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100	100	Note 2
Ta-Chen Construction & Engineering Corp.	Ta-Chen International (Brunei) Corp.	Overseas investment	100	100	Notes 2 and 6
Ta-Chen International (Brunei) Corp.	Ta Chen Construction & Engineering	Construction	100	100	Notes 2 and 6

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2015	Description
Prince Housing & Development Corp.	Prince Property Management Consulting Co., Ltd.	Real estate managers	100	Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	
	Prince Housing Investment Co., Ltd.	Overseas investment	100	Note 2
	BioSun Technology Co., Ltd.	Anti-mildew's import and export	100	Note 2
	Prince Ta-Chen Investment Co., Ltd.	Greneral investments	-	Notes 2 and 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2015	Description
	Dong-Feng Enterprises Co., Ltd.	Housebuilders and sales	100	Note 2
	The Splendor Hotel Taichung	Hotels and catering	50	Note 1
	Time Square International Co., Ltd.	Hotels and catering	100	Note 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	Note 2
	Early Success Investments Ltd.	Overseas investment	100	Notes 2 and 5
	Prince Industrial Co., Ltd.	Development of public housing and building	100	Note 2
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Management of apartment	100	Note 2
Prince Property Management Consulting Co., Ltd.	Prince Security Co., Ltd.	Security	100	Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Ta-Chen Construction & Engineering Corp.	Construction	100	
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100	Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100	Note 2
Prince Ta-Chen Investmet Co., Ltd.	Prince Capital Inc.	Overseas investment	100	Notes 2,3 and 5
Ta-Chen Construction & Engineering Corp.	Ta-Chen International (Brunei) Corp.	Overseas investment	100	Notes 2 and 6
Prince Capital Inc.	Prince Ventures USA Inc.	Overseas investment	100	Notes 2 and 5
Ta-Chen International (Brunei) Corp.	Ta Chen Construction & Engineering (Vietnam) Corp.	Construction	100	Notes 2 and 6

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

Note 2:As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as of and for the six months ended June 30, 2016 and 2015 were not reviewed by independent accountants.

Note 3:The Company entered into a merger agreement with its subsidiary, Prince Ta-Chen Investment Co., Ltd. in May 2015, with the Company as the surviving company and Prince Ta-Chen Investment Co., Ltd. as the dissolved company.

Note 4:The subsidiary was newly established from the land division of Jin-Yi-Xing Plywood Co., Ltd. on September 1, 2015.

Note 5:Liquidation of Early Success Investments Ltd., Prince Capital Inc. and Prince Ventures

USA Inc. were completed in Deceember 2015.

Note 6:Ta-Chen International (Brunei) Corp. and Ta-Chen Construction & Engineering (Vietnam) Corp. are now in the dissolution process.

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

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

E. Significant restrictions: None.

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

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

(4) Employee benefits

Pensions – Defined benefit plans

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

(5) Income tax

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

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

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

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

There is no significant change during the period. Please refer to Note 5 of the 2015 consolidated financial statements.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. If the Group assessed that the net realisable value of inventories on balance sheet date was lower than the cost, the Group would write down the cost of inventories to the net realisable value.

As of June 30, 2016, the carrying amount of inventories was $22,924,136.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2016	December 31, 2015	June 30, 2015
Cash on hand and revolving funds	$ 8,653	$ 8,989	$ 81,176
Checking accounts and demand deposits	1,728,772	2,861,201	3,221,872
Time deposits	299,100	590,561	314,500
Repurchase bonds	57,000	340,000	-
	$ 2,093,525	$ 3,800,751	$ 3,617,548

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 the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	June 30, 2016	December 31, 2015	June 30, 2015
Current items:			
Financial assets held for trading			
Listed (TSE and OTC) stocks	$ 264,520	$ 264,520	$ 264,520
Beneficiary certificates	-	200,000	-
	264,520	464,520	264,520
Financial assets held for trading valuation adjustments	35,388	15,241	46,606
	$ 299,908	$ 479,761	$ 311,126

Items	June 30, 2016	December 31, 2015	June 30, 2015
Non-current items:			
Financial assets held for trading			
Beneficiary certificates	$ 76,000	$ 76,000	$ 76,000
Financial assets held for trading valuation adjustments	2,138	1,992	1,778
	$ 78,138	$ 77,992	$ 77,778

A. The Group recognized net (loss) gain of ($9,639), $104,366, $20,294 and $110,456 for the three months and six months ended June 30, 2016 and 2015, 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) Notes receivable, net

	June 30, 2016	December 31, 2015	June 30, 2015
Notes receivable	$ 151,684	$ 135,574	$ 95,925
Less: Allowance for doubtful accounts	-	(344)	(540)
	$ 151,684	$ 135,230	$ 95,385

A. The Group's notes receivable that were neither past due nor impaired were fully performing in line with the credit standards prescribed based on counterparties' industrial characteristics, scale of business and profitability.

B. Movement analysis of financial assets that were impaired (allowance for doubtful accounts of notes receivable) is as follows:

	Six months ended June 30,	
	2016	2015
At January 1	$ 344	$ 540
Write-offs during the period	(344)	-
At June 30	$ -	$ 540

C. The Group does not hold any collateral as security.

(4) Accounts receivable, net

	June 30, 2016	December 31, 2015	June 30, 2015
Accounts receivable	$ 898,145	$ 1,865,724	$ 661,431
Less: Allowance for doubtful accounts	(4,104)	(4,104)	(7,045)
	$ 894,041	$ 1,861,620	$ 654,386

A. The Group's accounts receivable that were neither past due nor impaired were fully performing in line with the credit standards prescribed based on counterparties' industrial characteristics, scale of business and profitability. Accounts receivable are classified into 3 categories:

(a) Sale of real estate: collection of customers' loans from banks.

(b) Construction contracts and sales of service: from customers with optimal collection record.

(c) Receivables from travel department: mainly from credit card payments.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Up to 60 days	$ 2,315	$ 620	$ 2,210
61 to 120 days	904	414	1,197
121 to 180 days	230	108	1,114
Over 180 days	1,652	1,895	5,227
	$ 5,101	$ 3,037	$ 9,748

The above ageing analysis was based on past due date.

C. There is no movement in the allowance for doubtful accounts of accounts receivable for the six months ended June 30, 2016 and 2015.

D. The Group does not hold any collateral as security.

(5) Construction contracts receivable (payable)

	June 30, 2016	December 31, 2015	June 30, 2015
Aggregate cost incurred plus recognised profits (less recognised losses)	$ 20,549,471	$ 19,550,455	$ 24,910,845
Less: progress billings	(19,636,674)	(18,707,934)	(24,082,381)
Net balance sheet position for construction in progress	$ 912,797	$ 842,521	$ 828,464
Presented as:			
Due from customers for contract work	$ 1,599,295	$ 1,347,958	$ 1,320,938
Due to customers for contract work	(686,498)	(505,437)	(492,474)
	$ 912,797	$ 842,521	$ 828,464

As of June 30, 2016, December 31, 2015 and June 30, 2015, the retainage relating to construction contracts amounted to $821,862, $1,384,110 and $1,015,558, respectively; the advances received before the related construction contracts are performed amounted to $719,619.

(6) Inventories

	June 30, 2016					
		Cost		Allowance for valuation loss		Book value
Land held for construction site	$	13,039,938	($	65,372)	$	12,974,566
Construction in progress		2,993,201		-		2,993,201
Buildings and land held for sale		5,267,474	(	49,432)		5,218,042
Prepayment for land		220,129		-		220,129
Prepayment for buildings and land		1,475,410		-		1,475,410
Merchandise		42,788		-		42,788
	$	23,038,940	($	114,804)	$	22,924,136

	December 31, 2015					
		Cost		Allowance for valuation loss		Book value
Land held for construction site	$	12,765,560	($	65,372)	$	12,700,188
Construction in progress		2,457,025		-		2,457,025
Buildings and land held for sale		5,882,639	(	49,432)		5,833,207
Prepayment for land		223,700		-		223,700
Prepayment for buildings and land		947,991		-		947,991
Merchandise		47,779		-		47,779
	$	22,324,694	($	114,804)	$	22,209,890

	June 30, 2015					
		Cost		Allowance for valuation loss		Book value
Land held for construction site	$	13,097,786	($	65,372)	$	13,032,414
Construction in progress		3,600,453		-		3,600,453
Buildings and land held for sale		2,983,466	(	49,432)		2,934,034
Prepayment for land		1,426,038		-		1,426,038
Prepayment for buildings and land		1,022,458		-		1,022,458
Merchandise		33,228		-		33,228
	$	22,163,429	($	114,804)	$	22,048,625

A. The cost of inventories recognized as expense for the three months and six months ended June 30, 2016 and 2015 was $1,454,508, $1,916,155, $2,638,639 and $3,684,749, respectively, including the amount of $0, $0, $0 and $2,014, respectively, that the Group wrote down from cost to net realizable value accounted for as cost of goods sold.

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

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

	Three months ended June 30,	
	2016	2015
Interest paid before capitalization	$ 100,830	$ 115,305
Interest capitalized	$ 43,447	$ 32,156
Annual interest rate used for capitalization	1.08%-2.79%	1.98%-2.82%

	Six months ended June 30,	
	2016	2015
Interest paid before capitalization	$ 215,015	$ 239,288
Interest capitalized	$ 86,245	$ 62,086
Annual interest rate used for capitalization	1.08%-3.16%	1.61%-3.20%

D. Details of significant inventories:

(a) Buildings and land in progress

Taipei branch	June 30, 2016	December 31, 2015	June 30, 2015
Prince Yun Ding (XinZhuang Fuduxin)	$ 1,797,588	$ 1,736,845	$ 1,636,963
Ling Ko Dist. Li Shing Section No. 1209, etc.	1,419,466	1,376,328	1,335,150
Prince Fu III (Taoyuan Qing Sun Section No. 446)	1,264,517	1,131,432	1,029,070
W Prince (New Taipei City Shing Jheng Section No. 883, etc.)	962,162	962,064	947,178
Bali Dist Chung Chang Section No. 2222 and 211-1, etc.	685,925	685,665	685,087
Jhong Li City Shuang Ling Section No. 1449, etc.	355,337	328,796	298,986
Prince Hua Wei (Shilin Dist. Zhishan Section No. 602, etc.)	155,149	106,680	52,452
Prince Fu II (Taoyuan Qing Xi Section No. 462)	-	-	1,432,422
	$ 6,640,144	$ 6,327,810	$ 7,417,308

Taichung branch	June 30, 2016	December 31, 2015	June 30, 2015
Ping Hsin Section No. 694, etc.	$ 871,068	$ 862,840	$ 858,750
The Cloud Century A (Kao An Section No. 12-16)	836,103	698,401	464,914
Prince Yu Ding (Hui Li Section No. 195)	743,135	707,080	666,229
Chaotun Section No. 755, etc.	260,869	250,571	249,557
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	195,983	195,947	195,947
Hsinfuliao Section No. 1096, No. 1097, NO.1098, No. 1108, etc.	164,119	159,160	156,580
The Cloud Century A (Kao An Section No. 12-12)	-	-	557,475
Chin Fon Gin (Tu Ku Section No. 8-2, etc.)	-	-	684,269
Hai Yan (Tai Huo Section No. 29)	-	-	577,460
Others	58,760	21,900	28,387
	$ 3,130,037	$ 2,895,899	$ 4,439,568

Tainan branch	June 30, 2016	December 31, 2015	June 30, 2015
Jin Hua Section No. 1361	$ 688,190	$ 688,190	$ 687,247
Prince Feng Yun (Hsin Ying Section No. 841-9)	622,620	564,433	492,185
Jum Fon Huei (Yu Ming Section No. 681-8)	287,751	266,825	216,626
Shan Chia Section No. 939, etc.	152,243	148,499	-
Chin An Section No. 296, No. 297, etc.	113,417	95,703	-
Bei An Lot No. 56-10, etc.	-	-	62,073
Flower Bo Five (Hou Guan Section No. 34, No. 34-1, etc.)	-	-	305,356
Others	3,524	3,524	7,598
	$ 1,867,745	$ 1,767,174	$ 1,771,085

	June 30, 2016	December 31, 2015	June 30, 2015
Kaohsiung branch			
Ren Wu New Hougang West Section No. 52, etc. (Prince Cloud D)	$ 482,309	$ 416,940	$ -
Ren Wu New Hougang West Section No .42, etc. (Prince Cloud B)	378,802	378,865	4,221
Ren Wu New Hougang West Section No. 88 experimental house	73,050	73,050	-
Ren Wu New Hougang West Section No. 69-148 etc. (Prince Cloud C apartment)	63,708	-	-
Ren Wu New Hougang West Section No. 69 etc. (Prince Cloud C townhouse)	48,457	-	-
Nanzi subsection No. 158 (Prince Yun)	31,021	28,177	31,745
Ren Wu New Hougang West Section No. 90 etc. (Prince Cloud E)	4	-	-
	$ 1,077,351	$ 897,032	$ 35,966
Total buildings and land in progress	$ 12,715,277	$ 11,887,915	$ 13,663,927

(b)Land held for construction site

Taipei branch	June 30, 2016	December 31, 2015	June 30, 2015
Zhong Li Pu Ren Lot No. 720, etc.	$ 140,156	$ 140,156	$ 140,156
Others	5,978	5,978	5,978
	$ 146,134	$ 146,134	$ 146,134

Taichung branch	June 30, 2016	December 31, 2015	June 30, 2015
Song Quan Lot No. 164 etc.	$ 176,296	$ 176,296	$ 176,296
Wu Feng Lot No. 365~855 etc.	175,661	175,661	175,661
Tu Ku Section No. 9-7, etc.	55,167	55,167	-
Song Chang Lot No. 557 etc.	19,912	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513	-
Xi Zhou Lot No. 112-54 etc.	11,941	11,941	11,941
Others	20,446	20,446	24,134
	$ 478,936	$ 478,936	$ 407,944

Tainan branch	June 30, 2016	December 31, 2015	June 30, 2015
Shan Zhong Lot No. 1468, 1475 & 1476 etc.	$ 234,699	$ 234,699	$ 234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610	28,610
Bei An Section No. 54-3, etc.	15,344	15,344	15,344
Chin An Section No. 373, etc	15,139	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325	10,325
Ren Wu New Hougang West Section No. 69, No. 70, etc.	-	-	112,876
Shan Chia Section No. 939, etc.	-	-	142,789
Chin An Section No.297, etc.		-	78,955
Others	14,550	14,550	22,058
	$ 369,465	$ 369,465	$ 711,593

Kaohsiung branch	June 30, 2016	December 31, 2015	June 30, 2015
Ren Wu New Hougang West Section No. 53, etc.	$ 986,221	$ 986,221	$ -
Ren Wu New Hougang West Section No. 30 & 52-74	408,037	408,037	-
Da Hua Lot No. 434 & 436	13,923	13,923	13,923
	$ 1,408,181	$ 1,408,181	$ 13,923
Total land held for construction site	$ 2,402,716	$ 2,402,716	$ 1,279,594

(c)Buildings and land held for sale

Taipei branch		June 30, 2016		December 31, 2015		June 30, 2015
Prince Tanmei	$	2,270,855	$	2,270,855	$	2,270,855
Prince Fu II		596,115		641,311		-
Taipei Shinyi		106,741		106,741		106,741
Prince Dragon House III		42,432		42,432		42,432
Prince Da Din		12,446		12,446		12,446
Prince Guo Boa		5,738		5,738		5,738
Prince Central Park		-		-		56,530
Others		546		546		546
	$	3,034,873	$	3,080,069	$	2,495,288

		June 30, 2016		December 31, 2015		June 30, 2015
Taichung branch						
Chin Fon Gin	$	486,562	$	516,970	$	-
The Cloud Century A		122,036		452,895		-
Prince Fu		39,528		39,528		51,994
Jing Yun Sian		13,418		13,418		58,019
Hai Yan		-		64,657		-
The Cloud Century B		-		-		148,742
The Cloud Century C		-		-		99,477
Others		10,889		10,889		10,889
	$	672,433	$	1,098,357	$	369,121

Tainan branch		June 30, 2016		December 31, 2015		June 30, 2015
Flower Bo Five	$	1,471,590	$	1,625,272	$	-
Tun Sha Building III		28,376		28,376		28,376
Jun Chan LV		19,725		19,725		19,725
Prince Golden Age		19,572		19,572		19,572
Prince WIN-W Suite (A)		-		-		7,402
Prince WIN-I Mansion		-		-		10,581
Others		2,188		2,188		2,188
	$	1,541,451	$	1,695,133	$	87,844

Kaohsiung branch		June 30, 2016		December 31, 2015		June 30, 2015
Prince Hua Yang	$	81,192	$	79,875	$	79,875
Prince Dai Din		10,431		10,431		10,431
	$	91,623	$	90,306	$	90,306
Total buildings and land held for sale	$	5,340,380	$	5,963,865	$	3,042,559

(d)Prepayment for land

	June 30, 2016	December 31, 2015	June 30, 2015
Tainan branch			
Ren Wu New Hougang West Section No. 20, etc.	$ 220,129	$ 223,700	$ -
Ren Wu Dist. Xia Hai Lot No. 978, etc.	-	-	1,689,936
Total prepayment for land	$ 220,129	$ 223,700	$ 1,689,936

After the land consolidation, abovementioned Ren Wu Dist. Xia Hai Lot No. 978, etc. became New Hougang West Section No. 20~144-1, etc.

(e)Prepayment for buildings and land

	June 30, 2016	December 31, 2015	June 30, 2015
Taisugar Nanzi Section	$ 786,213	$ 258,794	$ 188,472
Taisugar Kao An Section	651,397	651,397	523,731
Prince Yun Ding	37,800	37,800	37,800
Taisugar He Guan Section	-	-	272,455
	$ 1,475,410	$ 947,991	$ 1,022,458

E. Disclosure of significant constructions:

(a) As of June 30, 2016, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Tainan Spinning Dream Mall	$ 4,842,473	$ 4,742,532	98.65%	$ 98,592
New Construction of Chaojhou Railway Station	4,274,668	4,104,868	99.99%	169,783
Tseng-Wen Reservoir	3,178,480	2,862,176	99.93%	316,083
West Coast Expressway 130K FangLi to Dia An Construction	2,056,675	1,969,427	45.62%	39,803
Taoyuan MRT Airport Line - CU03	1,626,304	1,564,454	100.00%	61,850
San Bau Bei Tou DaYe - New Construction	1,630,427	1,551,397	62.58%	49,457
Improvement plan for High Speed Railway ground access road in Changhua	1,255,059	1,198,581	94.98%	53,643

(b) As of December 31, 2015, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Tainan Spinning Dream Mall	$ 4,842,473	$ 4,742,532	97.51%	$ 97,452
New Construction of Chaojhou Railway Station	4,274,219	4,104,868	97.55%	165,202
Tseng-Wen Reservoir	3,178,480	2,862,176	99.37%	314,311
West Coast Expressway 130K FangLi to Dia An Construction	2,058,381	1,969,484	34.69%	30,838
Taoyuan MRT Airport Line - CU03	1,631,685	1,570,640	99.36%	60,654
San Bau Bei Tou DaYe - New Construction	1,599,813	1,515,723	46.70%	39,270
Improvement plan for High Speed Railway ground access road in Changhua	1,210,476	1,156,005	70.82%	38,576

(c) As of June 30, 2015, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Tainan Spinning Dream Mall	$ 5,029,591	$ 4,898,454	88.23%	$ 115,702
Taipei City Hall Bus Station	4,785,639	4,677,757	99.86%	107,731
New Construction of Chaojhou Railway Station	4,217,480	4,049,711	93.28%	156,495
Tseng-Wen Reservoir	3,010,793	2,834,474	99.20%	174,908
West Coast Expressway 130K FangLi to Dia An Construction	2,058,381	1,969,741	24.25%	21,495
Taoyuan MRT Airport Line - CU03	1,627,671	1,558,409	99.80%	69,123
San Bau Bei Tou DaYe - New Construction	1,521,905	1,430,405	30.97%	28,338
Improvement plan for High Speed Railway ground access road in Changhua	1,210,476	1,156,005	45.76%	24,926

(7) Other current assets

Items	June 30, 2016	December 31, 2015	June 30, 2015
Deferred sales commission	$ 397,682	$ 324,072	$ 584,918
Others	30,396	17,800	33,818
	$ 428,078	$ 341,872	$ 618,736

(8) Available-for-sale financial assets

Items	June 30, 2016	December 31, 2015	June 30, 2015
Non-current items:			
Listed (TSE and OTC) stocks	$ 118,329	$ 121,852	$ 121,851
Unlisted stocks	42,984	44,561	49,455
	161,313	166,413	171,306
Valuation adjustment of available-for-sale financial assets	1,174,121	1,398,529	1,015,012
	$ 1,335,434	$ 1,564,942	$ 1,186,318

A. The Group recognized $131,742, $325,427, $224,408 and 448,310 in other comprehensive loss for fair value change for the three months and six months ended June 30, 2016 and 2015, respectively.

B. Details of the Group's available-for-sale financial assets pledged to others as collateral are provided in Note 8.

(9) Financial assets measured at cost

Items	June 30, 2016	December 31, 2015	June 30, 2015
Non-current items:			
Unlisted stocks	$ 877,800	$ 887,529	$ 887,529

A. Based on the Group's intention, its investment in President Energy Development Ltd. and President International Development Corp. should be classified as 'available-for-sale financial assets'. However, as President Energy Development Ltd. and President International Development Corp. stocks are not traded in an active market, and no sufficient industry information of companies similar to President Energy Development Ltd. and President International Development Corp. can be obtained, the fair value of the investment in President Energy Development Ltd. and President International Development Corp. stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.

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

(10) Investments accounted for under equity method

Name of associates	June 30, 2016 Carrying amount	June 30, 2016 Percentage of ownership	December 31, 2015 Carrying amount	December 31, 2015 Percentage of ownership	June 30, 2015 Carrying amount	June 30, 2015 Percentage of ownership
Geng-Ding Co., Ltd.	$ 337,618	30.00%	$ 326,189	30.00%	$ 341,122	30.00%
Uni-President Development Corp.	1,206,771	30.00%	1,365,037	30.00%	1,331,597	30.00%
PPG Investment Inc.	14,468	27.27%	13,621	27.27%	12,511	27.27%
Queen Holdings Ltd.	377,717	27.27%	372,751	27.27%	337,186	27.27%
Ming-Da Enterprise Co., Ltd.	133,309	20.00%	166,887	20.00%	166,722	20.00%
Amida Truslink Assets Management Co., Ltd. (Note)	-	45.21%	-	45.21%	6,686	45.21%
	$ 2,069,883		$ 2,244,485		$ 2,195,824	

Note : As of June 30, 2016 and December 31, 2015, the book value of the Company's investment in Amida Truslink Assets Management Co., Ltd. was below zero thus, the investment was transferred to other non-current liabilities which amounted to $137,127 and $137,018, 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	The Group holds more than 20% of voting rights	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. June 30, 2016	December 31, 2015	June 30, 2015
Current assets	$ 354,653	$ 315,715	$ 383,289
Non-current assets	9,395,392	9,622,107	9,840,518
Current liabilities	(4,178,888)	(3,627,239)	(3,035,065)
Non-current liabilities	(1,548,587)	(1,760,396)	(2,750,085)
Total net assets	$ 4,022,570	$ 4,550,187	$ 4,438,657
Share in associate's net assets	$ 1,206,771	$ 1,365,037	$ 1,331,597

Statements of comprehensive income

	Uni President Development Corp.	
	Three months ended June 30,	
	2016	2015
Revenue	$ 232,320	$ 258,202
Profit for the period from continuing operations	$ 26,493	$ 52,627
Total comprehensive income	$ 26,493	$ 52,627

	Uni President Development Corp.	
	Six months ended June 30,	
	2016	2015
Revenue	$ 482,078	$ 523,159
Profit for the period from continuing operations	$ 66,383	$ 109,834
Total comprehensive income	$ 66,383	$ 109,834

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 June 30, 2016, December 31, 2015 and June 30, 2015, the carrying amount of the Group's individually immaterial associates amounted to $725,985, $742,430 and 864,227, respectively.

	Three months ended June 30,	
	2016	2015
Profit for the period from continuing operations	$ 49,478	$ 54,365
Total comprehensive income	$ 49,478	$ 54,365

	Six months ended June 30,	
	2016	2015
Profit for the period from continuing operations	$ 75,429	$ 246,016
Total comprehensive income	$ 75,429	$ 246,016

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

E. Investments accounted for under equity method are based on unreviewed financial statements of each investee. Share of profit of associates recognized was $22,241, $31,971, $41,630 and $69,221 for the three months and six months ended June 30, 2016 and 2015, respectively. Balance of investments was $1,932,756 and $2,195,824 as of June 30, 2016 and 2015, respectively. Certain investments accounted for under equity method as of December 31, 2015 are based on financial statements audited by other independent accountants, the related investments amounted to $575,543.

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

(11) Property, plant and equipment

A. Details of book values are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Land	$ 2,858,947	$ 2,858,947	$ 2,858,947
Buildings	3,310,283	3,391,429	3,472,975
Machinery and equipment	7,655	8,373	9,091
Computer and communication equipment	12,860	15,605	16,693
Transportation equipment	4,109	4,788	4,052
Office equipment	349,690	366,507	399,716
Leasehold improvements	24,985	25,648	-
Other equipment	64,081	66,339	69,059
Construction in progress and equipment under acceptance	147	5,296	8,644
	$ 6,632,757	$ 6,742,932	$ 6,839,177

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

	Six months ended June 30, 2016				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 2,858,947	$ -	$ -	$ -	$ 2,858,947
Buildings	4,445,929	1,029	(197)	3,723	4,450,484
Machinery and equipment	14,476	-	-	-	14,476
Computer and communication equipment	61,662	257	-	-	61,919
Transportation equipment	12,657	-	(1,000)	-	11,657
Office equipment	800,944	19,078	(10,921)	5,487	814,588
Leasehold improvements	73,533	-	-	-	73,533
Other equipment	91,935	1,385	(1,119)	27	92,228
Construction in progress and equipment under acceptance	5,296	3,682	-	(8,831)	147
	$ 8,365,379	$ 25,431	($ 13,237)	$ 406	$ 8,377,979

Cost	Six months ended June 30, 2015				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 2,858,947	$ -	$ -	$ -	$ 2,858,947
Buildings	4,465,549	1,248	(1,692)	-	4,465,105
Machinery and equipment	14,476	-	-	-	14,476
Computer and communication equipment	59,714	-	-	-	59,714
Transportation equipment	11,729	-	(271)	-	11,458
Office equipment	788,300	8,680	(1,016)	-	795,964
Leasehold improvements	47,000	-	-	-	47,000
Other equipment	90,999	2,221	(1,231)	42	92,031
Construction in progress and prepayments for equipment	2,594	6,050	-	-	8,644
	$ 8,339,308	$ 18,199	($ 4,210)	$ 42	$ 8,353,339

Accumulated depreciation	Six months ended June 30, 2016				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings	$ 1,054,500	$ 85,898	($ 197)	$ -	$ 1,140,201
Machinery and equipment	6,103	718	-	-	6,821
Computer and communication equipment	46,057	3,002	-	-	49,059
Transportation equipment	7,869	485	(806)	-	7,548
Office equipment	434,437	41,261	(10,800)	-	464,898
Leasehold improvements	47,885	663	-	-	48,548
Other equipment	25,596	2,553	(2)	-	28,147
	$ 1,622,447	$ 134,580	($ 11,805)	$ -	$ 1,745,222

Accumulated depreciation	Six months ended June 30, 2015				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings	$ 907,885	$ 85,937	($ 1,692)	$ -	$ 992,130
Machinery and equipment	4,667	718	-	-	5,385
Computer and communication equipment	39,987	3,034	-	-	43,021
Transportation equipment	7,396	470	(460)	-	7,406
Office equipment	353,979	43,276	(1,007)	-	396,248
Leasehold improvements	47,000	-	-	-	47,000
Other equipment	20,428	2,544	-	-	22,972
	$ 1,381,342	$ 135,979	($ 3,159)	$ -	$ 1,514,162

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

(12) Investment property

A. Details of book values are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Land	$ 265,550	$ 265,550	$ 203,494
Leased assets-land	2,592,171	2,592,206	2,592,263
Leased assets-buildings	3,140,461	3,186,071	3,231,566
	$ 5,998,182	$ 6,043,827	$ 6,027,323

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

Cost	Six months ended June 30, 2016				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 265,550	$ -	$ -	$ -	$ 265,550
Leased assets-land	2,592,206	-	(35)	-	2,592,171
Leased assets-buildings	3,932,498	-	(3,129)	-	3,929,369
	$ 6,790,254	$ -	($ 3,164)	$ -	$ 6,787,090

Cost	Six months ended June 30, 2015				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 203,494	$ -	$ -	$ -	$ 203,494
Leased assets-land	2,592,342	-	(43)	(36)	2,592,263
Leased assets-buildings	3,941,750	-	(3,265)	(2,768)	3,935,717
	$ 6,737,586	$ -	($ 3,308)	($ 2,804)	$ 6,731,474

Accumulated depreciation	Six months ended June 30, 2016				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	$ 746,427	$ 42,965	($ 484)	$ -	$ 788,908

Accumulated depreciation	Six months ended June 30, 2015				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets-buildings	$ 662,031	$ 43,068	($ 524)	($ 424)	$ 704,151

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

	Three months ended June 30, 2016	Three months ended June 30, 2015
Rental revenue from the lease of the investment property	$ 72,239	$ 101,537
Direct operating expenses arising from the investment property that generated rental income in the period	$ 37,783	$ 38,637
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

	Six months ended June 30, 2016	Six months ended June 30, 2015
Rental revenue from the lease of the investment property	$ 144,900	$ 187,643
Direct operating expenses arising from the investment property that generated rental income in the period	$ 74,545	$ 76,249
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

D. As of June 30, 2016, December 31, 2015 and June 30, 2015, the fair value of the investment property held by the Group was $12,900,690, $12,932,299 and $12,927,253, respectively. The Group management estimated the fair value based on market evidence on transaction price of similar property and assessed value.

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

(13) Intangible assets

A. Details of book values are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Service concession	$ 2,269,813	$ 2,300,439	$ 2,331,066
Software	1,593	1,870	944
Trademarks and licences	71	214	377
	$ 2,271,477	$ 2,302,523	$ 2,332,387

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

Cost	Six months ended June 30, 2016 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 2,868,372	$ -	$ -	$ -	$ 2,868,372
Software	3,762	33	-	-	3,795
Trademarks and licences	3,139	-	-	-	3,139
	$ 2,875,273	$ 33	$ -	$ -	$ 2,875,306

Cost	Six months ended June 30, 2015 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 2,868,372	$ -	$ -	$ -	$ 2,868,372
Software	19,559	284	(17,169)	-	2,674
Trademarks and licences	3,139	-	-	-	3,139
	$ 2,891,070	$ 284	($ 17,169)	$ -	$ 2,874,185

Accumulated Amortization	Six months ended June 30, 2016 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 567,933	$ 30,626	$ -	$ -	$ 598,559
Software	1,892	310	-	-	2,202
Trademarks and licences	2,925	143	-	-	3,068
	$ 572,750	$ 31,079	$ -	$ -	$ 603,829

Accumulated Amortization	Six months ended June 30, 2015 Opening net book amount		Additions		Disposals		Reclassifications		Closing net book amount
Service concession	$	506,680	$	30,626	$	-	$	-	$ 537,306
Software		18,756		143	(	17,169)		-	1,730
Trademarks and licences		2,639		123		-		-	2,762
	$	528,075	$	30,892	($	17,169)	$	-	$ 541,798

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

	Three months ended June 30, 2016		2015	
Operating costs	$	15,312	$	15,313
Administrative expenses		236		131
	$	15,548	$	15,444

	Six months ended June 30, 2016		2015	
Operating costs	$	30,626	$	30,626
Administrative expenses		453		266
	$	31,079	$	30,892

(14) Short-term borrowings

	June 30, 2016		December 31, 2015		June 30, 2015	
Unsecured borrowings	$	1,989,873	$	1,991,373	$	2,255,584
Secured borrowings		671,500		635,000		1,410,000
	$	2,661,373	$	2,626,373	$	3,665,584
Interest rate range		1.69%~2.51%		1.92%~2.51%		1.92%~2.51%

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

(15) Short-term notes payable

	June 30, 2016		December 31, 2015		June 30, 2015	
Commercial papers	$	470,000	$	1,060,000	$	1,580,000
Less: Unamortized discount	(	87)	(	189)	(	168)
	$	469,913	$	1,059,811	$	1,579,832
Interest rate range		0.45%~2.00%		0.55%~2.25%		0.63%~2.48%

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

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

(16) Receipts in advance

Items	June 30, 2016		December 31, 2015		June 30, 2015	
Advance real estate receipts	$	1,672,249	$	1,592,844	$	2,644,151
Advance rent		147,658		158,283		93,224
Other advance receipts		135,658		124,335		131,857
	$	1,955,565	$	1,875,462	$	2,869,232

(17) Bonds payable

	June 30, 2016	December 31, 2015	June 30, 2015
2012 1st secured ordinary bonds payable	$ 2,000,000	$ 2,000,000	$ 2,000,000
2013 1st secured ordinary bonds payable	2,500,000	2,500,000	2,500,000
	$ 4,500,000	$ 4,500,000	$ 4,500,000

A. The Group issued secured ordinary bonds payable in July 2012. The significant terms of the bonds are as follows:

(a)Total issue amount: $2,000,000

(b)Issue price: At par value of $100 per bond

(c)Coupon rate: 1.33%

(d)Terms of interest repayment: The bonds interest is calculated on simple rate every year starting July 2012 based on the coupon rate.

(e)Repayment term: The bonds are repaid upon the maturity of the bonds.

(f)Period: 5 years, from July 12, 2012 to July 12, 2017

(g)The way of security: The bonds are secured by Bank of Taiwan.

(h)Guarantee Bank: The bonds are guaranteed by Mega International Commercial Bank.

B. The Group issued secured ordinary bonds payable in November 2013. The significant terms of the bonds are as follows:

(a)Total issue amount: $2,500,000

(b)Issue price: At par value of $100 per bond

(c)Coupon rate: 1.55%

(d)Terms of interest repayment: The bonds interest is calculated on simple rate every year starting November 2013 based on the coupon rate.

(e)Repayment term: The bonds are repaid upon the maturity of the bonds.

(f)Period: 5 years, from November 21, 2013 to November 21, 2018

(g)The way of security: $1.5 billion and $1 billion secured by Bank of Taiwan and Agricultural Bank of Taiwan , respectively.

(h)Guarantee Bank: The bonds are guaranteed by Taipei Fubon Commercial Bank.

(18) Long-term borrowings

	June 30, 2016	December 31, 2015	June 30, 2015
Secured bank borrowings	$ 9,433,361	$ 9,635,346	$ 8,338,624
Unsecured bank borrowings	140,000	270,000	350,000
	9,573,361	9,905,346	8,688,624
Less: Current portion	(1,872,682)	(474,592)	(584,870)
	7,700,679	9,430,754	8,103,754
Commerical paper	289,600	589,600	500,000
Less: Unamortized discount	(124)	(443)	(868)
	289,476	589,157	499,132
Total	$ 7,990,155	$ 10,019,911	$ 8,602,886
Range of maturity dates	2017.03.18~2027.11.02	2016.06.24~2027.11.02	2015.11.23~2027.11.02
Range of maturity rates	1.82%~3.00%	1.74%~3.16%	1.82%~2.76%

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

B. The Group and financial institutions entered into a contract for a syndicated borrowing. The Group shall redraw revolving credit line to issue abovementioned commercial paper during the credit term. For the related information, please refer to Note 9(10) and 9(11).

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

(19) Provisions-replacement cost

	Six months ended June 30,	
	2016	2015
At January 1	$ 84,517	$ 81,720
Additions	16,734	15,046
Used	(3,708)	(13,294)
At June 30	$ 97,543	$ 83,472

(20) Pension

A.(a)The Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by June 30, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b)For the aforementioned pension plan, the Group recognized pension costs of $947, $948, $1,894 and $1,896 for the three months and six months ended June 30, 2016 and 2015, respectively.

(c)Expected contributions to the defined benefit pension plans of the Group for the year ending June 30, 2017 amounts to $3,788.

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 Company and its domestic subsidiaries for the three months and six months ended June 30, 2016 and 2015 were $16,825, $13,941, $31,869 and $28,162, respectively.

(21) Share capital

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

(Units: in thousand shares)

	2016	2015
Shares at January 1 and June 30	1,622,671	1,622,671

B. The Company's subsidiary, Ta-Chen Construction & Engineering Corp. (Ta-Chen) has acquired the Company's shares in an open market to maintain the equity interest of the Company's shareholders. In order to strengthen management through eliminating interlocking shareholding, the Board of Directors of Ta-Chen has resolved to reduce capital of $435,025 (elimination of 43,502 thousand shares) by returning the Company's shares (of 39,016 thousand shares) to Cheng-Shi Investment Holdings Co., Ltd. (Cheng-Shi Investment), and set the effective capital reduction date as August 5, 2015. Cheng-Shi Investment's Board of Directors has resolved the capital reduction and set the reduction effective on September 21, 2015, and returned shares to the Company. The registration of changes in capital and capital reduction as approved by the competent authority has been completed on November 18, 2015.

C. As of June 30, 2016, 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.

D. As of June 30, 2016, December 31, 2015 and June 30, 2015, the Company's subsidiaries – Ta-Chen Construction & Engineering Corp. and 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 subsidiaries was 655 thousand, 655 thousand and 39,671 thousand, the average par value was all NT$1.52 per share, and the fair value was NT$11.95, NT$9.40 and NT$11.65 per share, respectively.

(22) 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			
2016	Share premium	Treasury share transaction	Others	Total
At January 1, 2016 (At June 30, 2016)	$ 1,375,442	$ 877,839	$ 7,232	$ 2,260,513

	Capital surplus			
2015	Share premium	Treasury share transaction	Others	Total
At January 1, 2015 (At June 30, 2015)	$ 1,408,500	$ 514,061	$ 7,232	$ 1,929,793

(23) 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 50%~100% of the accumulated distributable earnings, and cash dividend is at least 30% of the total stock dividend and bonus; the appropriation of earnings is proposed by the Board of Directors and resolved by the shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. The Company recognized dividends distributed to owners amounting to $1,785,659 ($1.1 (in dollars) per share) and $1,329,873 ($0.8 (in dollars) per share) for the six months ended June 30, 2016 and 2015, respectively. On June 21, 2016, the stockholders resolved that total dividends for the distribution of earnings for 2015 was $1,785,659 with $1.1 (in dollars) per share.

(24) Other equity items

	Available-for-sale investment	Currency translation	Total
At January 1, 2016	$ 1,407,403	$ 1,706	$ 1,409,109
Available-for-sale investment:			
-Loss on fair value	(224,408)	-	(224,408)
Currency translation differences:			
-Group	-	(3)	(3)
At June 30, 2016	$ 1,182,995	$ 1,703	$ 1,184,698

	Available-for-sale investment	Currency translation	Total
At January 1, 2015	$ 1,434,529	$ 1,690	$ 1,436,219
Available-for-sale investment:			
-Loss on fair value	(448,310)	-	(448,310)
Currency translation differences:			
-Group	-	(299)	(299)
At June 30, 2015	$ 986,219	$ 1,391	$ 987,610

(25) 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 recognized 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
June 30, 2016			
Assets			
Notes receivable, net	$ 73,038	$ 607	$ 73,645
Accounts receivable, net(including related parties)	522,309	309,872	832,181
Inventories	8,604,863	14,276,485	22,881,348
Construction contract receivables	606,447	992,848	1,599,295
	$ 9,806,657	$ 15,579,812	$ 25,386,469
Liabilities	$ 43,673	$ 17,919	$ 61,592
Notes payable	2,056,487	725,416	2,781,903
Accounts payable	347,683	338,815	686,498
Construction contract payable	$ 2,447,843	$ 1,082,150	$ 3,529,993

	Within 12 months	Over 12 months	Total
December 31, 2015			
Assets			
Notes receivable, net	$ 44,980	$ 671	$ 45,651
Accounts receivable, net(including related parties)	1,582,837	597,393	2,180,230
Inventories	8,635,309	13,526,802	22,162,111
Construction contract receivables	931,727	416,231	1,347,958
	$ 11,194,853	$ 14,541,097	$ 25,735,950
Liabilities			
Notes payable	$ 11,094	$ -	$ 11,094
Accounts payable	2,510,158	1,529,999	4,040,157
Construction contract payables	406,921	98,516	505,437
	$ 2,928,173	$ 1,628,515	$ 4,556,688

	Within 12 months	Over 12 months	Total
June 30, 2015			
Assets			
Notes receivable, net	$ 80,364	$ 330	$ 80,694
Accounts receivable, net(including related parties)	134,702	850,575	985,277
Inventories	7,042,266	14,973,131	22,015,397
Construction contract receivables	522,848	798,090	1,320,938
	$ 7,780,180	$ 16,622,126	$ 24,402,306
Liabilities			
Notes payable	$ 7,145	$ -	$ 7,145
Accounts payable	1,990,467	970,318	2,960,785
Construction contract payables	214,341	278,133	492,474
	$ 2,211,953	$ 1,248,451	$ 3,460,404

(26) Operating revenue

	Three months ended June 30,	
	2016	2015
Sales revenue	$ 1,386,892	$ 1,478,616
Service revenue	136,605	148,848
Construction contract revenues	678,461	1,293,327
Service concession revenue		
-Operating service revenue	95,666	94,464
	$ 2,297,624	$ 3,015,255

	Six months ended June 30, 2016	Six months ended June 30, 2015
Sales revenue	$ 2,338,210	$ 3,104,247
Service revenue	260,439	272,185
Construction contract revenues	1,321,551	2,169,821
Service concession revenue		
-Operating service revenue	189,332	184,988
	$ 4,109,532	$ 5,731,241

(27) Other income

	Three months ended June 30, 2016	Three months ended June 30, 2015
Interest income	$ 2,569	$ 3,458
Dividend income	62,521	89,526
Others	27,807	68,894
	$ 92,897	$ 161,878

	Six months ended June 30, 2016	Six months ended June 30, 2015
Interest income	$ 4,035	$ 4,707
Dividend income	62,696	117,754
Others	83,075	86,712
	$ 149,806	$ 209,173

(28) Other gains and losses

	Three months ended June 30, 2016	Three months ended June 30, 2015
Net (loss) gain on financial assets at fair value through profit or loss	($ 9,639)	$ 104,366
Net currency exchange losses	(4,296)	(5,204)
Reversed arbitration expenses and compensation loss (Note)	-	25,235
Others	(854)	(31,117)
	($ 14,789)	$ 93,280

	Six months ended June 30, 2016	Six months ended June 30, 2015
Net gain on financial assets at fair value through profit or loss	$ 20,294	$ 110,456
Net currency exchange losses	(5,517)	(9,234)
Arbitration expenses and compensation loss (Note)	-	(26,100)
Others	(1,405)	(30,627)
	$ 13,372	$ 44,495

Note: Please refer to Note 9(16) for details.

(29) Finance costs

	Three months ended June 30, 2016	Three months ended June 30, 2015
Interest expense:		
Bank borrowings	$ 24,179	$ 47,494
Commercial paper	3,952	4,994
Ordinary bond	28,714	30,372
Others	538	289
Other finance expenses	300	300
	$ 57,683	$ 83,449

	Six months ended June 30, 2016	Six months ended June 30, 2015
Interest expense:		
Bank borrowings	$ 55,263	$ 100,217
Commercial paper	10,882	15,187
Ordinary bond	60,792	60,566
Others	1,833	1,232
Other finance expenses	600	600
	$ 129,370	$ 177,802

(30) Expenses by nature

	Three months ended June 30, 2016		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 218,975	$ 141,378	$ 360,353
Labor and health insurance fees	17,836	13,693	31,529
Pension costs	9,523	8,249	17,772
Other employee benefit expense	2,011	11,944	13,955
	$ 248,345	$ 175,264	$ 423,609
Depreciation charges	$ 21,478	$ 66,148	$ 87,626
Amortisation charges	$ 15,312	$ 236	$ 15,548

	Three months ended June 30, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 217,322	$ 164,806	$ 382,128
Labor and health insurance fees	17,711	13,175	30,886
Pension costs	7,746	7,143	14,889
Other employee benefit expense	2,864	12,938	15,802
	$ 245,643	$ 198,062	$ 443,705
Depreciation charges	$ 21,597	$ 67,578	$ 89,175
Amortisation charges	$ 15,314	$ 130	$ 15,444

	Six months ended June 30, 2016		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 445,270	$ 253,660	$ 698,930
Labor and health insurance fees	35,797	28,260	64,057
Pension costs	18,864	14,899	33,763
Other employee benefit expense	3,921	21,497	25,418
	$ 503,852	$ 318,316	$ 822,168
Depreciation charges	$ 42,965	$ 134,580	$ 177,545
Amortisation charges	$ 30,626	$ 453	$ 31,079

	Six months ended June 30, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 440,111	$ 304,540	$ 744,651
Labor and health insurance fees	35,095	25,572	60,667
Pension costs	15,701	14,357	30,058
Other employee benefit expense	4,050	24,263	28,313
	$ 494,957	$ 368,732	$ 863,689
Depreciation charges	$ 43,068	$ 135,979	$ 179,047
Amortisation charges	$ 30,627	$ 265	$ 30,892

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. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash.

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

B. For the three months and six months ended June 30, 2016 and 2015, employees' compensation was accrued at $21,827, $9,031, $32,981 and $12,922, respectively; while directors' and supervisors' remuneration was accrued at $7,425, $13,547, $11,220 and $19,383, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were accrued based on the percentage as prescribed in the Company's Articles of Incorporation and distributable profit of current period for the six months ended June 30, 2016.

Employees' compensation and directors' and supervisors' remuneration of 2015 and 2014 as resolved at the meeting of shareholder were in agreement with those amounts recognised in the 2015 and 2014 financial statements.

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

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30, 2016	Three months ended June 30, 2015
Current tax:		
Current tax on profits for the period	$ 28,959	$ 27,010
Tax on undistributed surplus earnings	21,397	82,522
Effects from tax credit of investment	(24,026)	(50,179)
Under provision of prior year's income tax	578	11,665
Land value increment tax recognized in income tax for the period	2,038	565
Total current tax	28,946	71,583
Deferred tax:		
Origination and reversal of temporary differences	5,016	4,735
Net operating loss carryforward	(4,477)	(4,790)
Total deferred tax	539	(55)
Income tax expense	$ 29,485	$ 71,528

	Six months ended June 30, 2016	Six months ended June 30, 2015
Current tax:		
Current tax on profits for the period	$ 35,601	$ 46,403
Tax on undistributed surplus earnings	21,397	82,522
Effects from tax credit of investment	(24,113)	(51,616)
Under provision of prior year's income tax	4,968	19,138
Land value increment tax recognized in income tax for the period	2,118	7,297
Total current tax	39,971	103,744
Deferred tax:		
Origination and reversal of temporary differences	7,542	8,947
Net operating loss carryforward	(6,142)	(8,603)
Total deferred tax	1,400	344
Income tax expense	$ 41,371	$ 104,088

B. As of June 30, 2016, the Company’s income tax returns through 2014 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	June 30, 2016	December 31, 2015	June 30, 2015
Earnings generated in and after 1998	$ 1,823,003	$ 3,508,400	$ 1,995,429

D. As of June 30, 2016, December 31, 2015 and June 30, 2015, the balance of the imputation tax credit account was $109,332, $53,573 and $51,565, respectively. The creditable tax rate was 1.81% for 2014 and is estimated to be 4.74% for 2015. The tax credits to be allocated to the stockholders are calculated based on the balance of the imputation tax credit account on the day of distribution of dividends. Therefore, the creditable tax rate applicable to the stockholders for the appropriation of earnings generated in and after 1998 shall be adjusted to take into account the tax credits that might incur under the income tax laws up to the distribution date of dividends or earnings.

(32) Earnings per share

	Three months ended June 30, 2016		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 212,584	1,622,671	$ 0.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 212,584	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,239	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 212,584	1,624,910	$ 0.13

	Three months ended June 30, 2015		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 518,789	1,622,671	$ 0.32
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 518,789	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensations	-	899	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 518,789	1,623,570	$ 0.32

	Six months ended June 30, 2016		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 324,042	1,622,671	$ 0.20
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 324,042	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,383	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 324,042	1,626,054	$ 0.20

	Six months ended June 30, 2015		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 710,436	1,622,671	$ 0.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 710,436	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensations	-	1,286	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 710,436	1,623,957	$ 0.44

(33) Operating leases

The Company's subsidiary leases office and business area under non-cancellable operating lease agreements. 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. The Company's subsidiary recognized annual rental expense of $96,811 and $193,623 for the three months and six months end June 30, 2016 and 2015, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Not later than one year	$ 402,257	$ 400,563	$ 398,868
Later than one year but not later than five years	2,037,763	2,034,162	2,029,079
Later than five years	5,771,898	5,977,475	6,282,134
	$ 8,211,918	$ 8,412,200	$ 8,710,081

(34) Non-cash transactions

Investing and financing activities with no cash flow effects:

	Six months ended June 30,	
	2016	2015
A.Merchandise inventory reclassified to property, plant and equipment	$ 27	$ 42
B.Investment property reclassified to land and building held for sale	$ -	$ 2,380
C.Other assets reclassified to property, plant and equipment	$ 379	$ -
D.Declared cash dividends yet to be distributed	$ 1,785,659	$ 1,329,873

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Sales of goods:

(a)

	Three months ended June 30,	
	2016	2015
Construction subcontracting		
－Associates	$ 31,085	$ 35,700
－Other related parties	36,060	31,134
	$ 67,145	$ 66,834

	Six months ended June 30,	
	2016	2015
Construction subcontracting		
－Associates	$ 55,931	$ 60,233
－Other related parties	72,634	98,241
	$ 128,565	$ 158,474

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 June 30, 2016, December 31, 2015 and June 30, 2015, the status of the construction of the related parties undertaken by the Group was as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Associates:			
Total amount of construction contracts that were signed but had not been settled yet	$ 526,979	$ 5,435,312	$ 5,680,215
Construction payments received	(427,836)	(4,972,256)	(5,410,487)
Construction payments receivable	$ 99,143	$ 463,056	$ 269,728
Other related parties			
Total amount of construction contracts that were signed but had not been settled yet	$ 5,070,874	$ 5,427,516	$ 5,398,458
Construction payments received	(4,808,077)	(5,030,549)	(4,779,098)
Construction payments receivable	$ 262,797	$ 396,967	$ 619,360

(b)

	Three months ended June 30,	
Rental income:	2016	2015
－Other related parties	$ 11,527	$ 11,557

	Six months ended June 30,	
Rental income:	2016	2015
－Other related parties	$ 24,555	$ 24,052

Rent is determined by mutual agreements and is collected monthly.

B. Accounts receivable

	June 30, 2016	December 31, 2015	June 30, 2015
Accounts receivable - related parties:			
－Associates	$ 14,470	$ 22,670	$ 32,052
－Other related parties	47,673	405,976	431,399
	$ 62,143	$ 428,646	$ 463,451

C. Other payables

	June 30, 2016	December 31, 2015	June 30, 2015
Rental payable:			
－Associates	$ 51,607	$ 169,005	$ 77,597

D. Others

(a)

	Three months ended June 30,	
	2016	2015
Rental expenses:		
－Associates	$ 117,727	$ 114,054
－Other related parties	1,649	-
	$ 119,376	$ 114,054

	Six months ended June 30,	
	2016	2015
Rental expenses:		
－Associates	$ 252,192	$ 257,943
－Other related parties	3,297	-
	$ 255,489	$ 257,943

(b)

	June 30, 2016	December 31, 2015	June 30, 2015
Refundable deposits:			
－Associates	$ 68,156	$ 66,266	$ 67,591

E. 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.

F. Certain short and long-term borrowings of the Company were guaranteed by its Chairman and General Manager.

(2)Key management compensation

	Three months ended June 30, 2016	Three months ended June 30, 2015
Salaries and other short-term employee benefits	$ 20,459	$ 5,900
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 20,459	$ 5,900

	Six months ended June 30, 2016	Six months ended June 30, 2015
Salaries and other short-term employee benefits	$ 27,949	$ 13,023
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 27,949	$ 13,023

8. PLEDGED ASSETS

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

Pledged asset	June 30, 2016	December 31, 2015	June 30, 2015	Purpose
Demand deposits, certificate of deposit and checking deposit (shown as "other financial assets - current" and "other financial assets - non-current")	$ 2,913,562	$ 2,811,735	$ 3,799,887	To obtain a higher credit for client, performance guarantee, construction performance guarantee, short-term and long-term borrowings, short-term commercial papers issue, member reward points and gift coupons trust account
Financial assets at fair value through profit or loss	338,638	320,992	77,778	Construction performance guarantees, short-term and long-term borrowings
Land held for construction	8,638,030	6,974,863	8,119,709	Short-term borrowings, notes and bills payable and long-term borrwings
Construction in progress	2,728,646	2,133,843	1,780,039	Short-term borrowings, notes and bills payable and long-term borrwings
Available-for-sale financial assets	860,602	1,028,798	720,501	Short-term borrowings, notes and bills payable
Financial assets carried at cost	575,426	575,426	575,426	Short-term borrowings, notes and bills payable
Investments accounted for under equity method	1,431,480	1,582,560	1,559,040	Short-term borrowings, notes and bills payable
Land	2,764,231	2,729,051	2,883,788	Construction performance guarantees, short-term borrowings, notes and bills payable and long-term borrowings
Buildings	2,018,258	2,042,803	2,058,641	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	3,868,133	4,047,218	4,782,486	Construction performance guarantees, short-term borrowings, notes and bills payable and long-term borrowings
	$ 26,137,006	$ 24,247,289	$ 26,357,295	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Summary of endorsements and guarantees and financial support commitments is as follows:

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

	June 30, 2016		December 31, 2015		June 30, 2015	
Name of company	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
The Splendor Hotel Taichung	$ 2,000,000	$ 1,695,793	$ 2,000,000	$ 1,708,520	$ 2,000,000	$ 1,751,247
Ta-Chen Construction & Engineering Corp.	1,900,000	-	1,900,000	-	1,900,000	-
Prince Real Estate Co., Ltd.	2,500,000	780,000	-	-	-	-
	$ 6,400,000	$ 2,475,793	$ 3,900,000	$ 1,708,520	$ 3,900,000	$ 1,751,247

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

	June 30, 2016		December 31, 2015		June 30, 2015	
Name of company	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
Prince Real Estate Co., Ltd.	$ 2,500,000	$ 2,035,309	$ 2,500,000	$ 2,086,198	$ -	$ -
Dong-Feng Enterprises Co., Ltd.	1,810,889	-	1,810,889	1,810,889	1,810,889	1,810,889
Ta-Chen Construction & Engineering Corp.	927,889	-	927,889	-	927,889	-
Prince Utility Co., Ltd.	900,000	638,763	900,000	638,763	900,000	638,763
Jin Yi Xing Plywood Co., Ltd.	-	-	-	-	2,500,000	2,086,198
	$ 6,138,778	$ 2,674,072	$ 6,138,778	$ 4,535,850	$ 6,138,778	$ 4,535,850

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

		June 30, 2016		December 31, 2015		June 30, 2015	
Name of subsidiaries	Subsidiaries being endorsed/guaranteed	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
Prince Apartment Management Maintain Co., Ltd.	Prince Security Co., Ltd.	$ 20,000	$ 10,000	$ 20,000	$ 10,000	$ -	$ -
Prince Property Management Consulting Co., Ltd.	Prince Security Co., Ltd.	56,000	10,000	56,000	10,000	-	-
		$ 76,000	$ 20,000	$ 76,000	$ 20,000	$ -	$ -

D. The accumulated operating losses of the subsidiary, the Splendor Hotel, had exceeded 50% of its paid-in capital and its current liabilities were greater than current assets. The Company was committed to give the Splendor Hotel financial support for its continuing operations for one year from the date of the financial support letter.

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

	June 30, 2016	December 31, 2015	June 30, 2015
Property, plant and equipment	$ 2,807	$ 9,517	$ 175,526

(3) Operating leases agreements:

Please refer to Note 6 (33) for details.

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

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

A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land; A party must complete the construction within 3 years from the registration of the superficies, and may operate the dormitories for 44 years, collect dormitory rentals and use fees of other facilities from students, and should return the related assets to B party on the expiry of the contract.

B. A party should give B party a performance guarantee of $60,000 for the construction on the signing date and $30,000 for operations before the start of operation. As of June 30, 2016, December 31, 2015 and June 30, 2015, 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 0.5% 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 June 30, 2016, December 31, 2015 and June 30, 2015, A party had provided performance guarantee with a guarantee letter issued by the bank, both amounting to $20,000.

C. During the operation period, A party should pay B party dormitory operating royalties based on 2% of annual operating revenue of the dormitories and auxiliary facilities operating royalties based on 4% of annual operating revenue of the auxiliary facilities. A party should pay such operating royalties for prior year before the end of June every year. Further, according to the superficies contract signed by the two parties, A party should pay B party land rentals from the registration of superficies.

D. All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.

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

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

(9)The Company signed a syndicated loan contract with 10 banks - Bank of Taiwan Co., Ltd. as the lead bank for a credit line of $2 billion. The syndicated loans are medium-term (secured) loans, and are used for residential building construction cooperated by the Company and Taiwan Sugar Corporation ("TSC") on Guo--An Sec., Xitun District, Taichung City. Furthermore, the Company shall repay in full for the balance of unpaid principal on maturity date. However, when the buildings in the case are completed and sold or when handling buyer's household debt, borrower should repay the balance of used and unpaid principal for the syndicated loans with 70% of selling consideration. The abovementioned construction has been substantially completed, thus, the Company has repaid in advance in January 2016.

(10)The Company signed a syndicated loan contract with 3 financial institutions - Mega International Commercial Bank as the lead bank for a credit line of $1.06 billion. The syndicated loans include medium-term (secured) loans and commercial paper guarantees, which are used for purchases of 4 tracts of PingHsin Sections No. 694,706, 708 and 709 in Taiping Dist., Taichung City and construction payment of residential buildings. Furthermore, the Company shall repay in full for the balance of unpaid principal on maturity date.

(11)The Company signed a syndicated loan contract with 3 financial institutions – Bank of Taiwan Co., Ltd. as the lead bank for a credit line of $3.045 billion. The syndicated loans include medium-term guarantee payments receivable (secured) and medium-term commercial paper guarantees (secured). Bank of Taiwan and Agricultural Bank of Taiwan provide medium-term guarantee payments receivable (secured) with a credit line of $2.545 billion which are used for the Company to apply for the guarantee of corporate bond issued by the bank. International Bills Finance Corp provides medium-term commercial paper guarantees (secured) with a credit line of $500 million which are used for the Company to repay the borrowing to the financial institutions and improve financial structure. These three financial institutions shall renew the contract with the Company for another 1 year based on their individual commitments and establish the facility documentation, which is similar to the commercial paper guarantees, letter of purchase contract and others. In addition, no matter whether the bondholders receive the payment or not, banks' guarantee responsibility will be released after the debtor returns the payables to the agency.

(12)On May 18, 2007, the Company signed a contract with Taiwan Sugar Corporation ("TSC") in relation to cooperative construction of houses. According to the contract, TSC shall provide Lot No. 12-12, Guo-An Sec., Xitun District, Taichung City; the Company shall provide funding for those projects and repurchase houses and land allocated to TSC amounting to $1,810,889 and shall bear all improvement fees of houses, public facilities and land, selling expenses, and other expenses or contributed expenses required under the decrees. The Company shall not ask for any compensation for price fluctuations or other reasons. Further, under the contract, the Company shall give TSC performance guarantee amounting to $181,090, on the signing date, which will be returned in installments according to the contractual terms. The Company had provided performance guarantee with a guarantee letter of the bank as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Lot No.12-12 , and No.601-1 Guo-An Sec., Xitun District, Taichung City	$ 181,090	$ 181,090	$ 181,090

(13)On January 20, February 10 and December 27, 2014, the Company signed a contract with Taiwan Sugar Corporation ("TSC") in relation to cooperative construction of houses. According to the contracts, TSC shall provide Taichung City Koan An Section No. 591-1 and Tainan City Hou Guan Section No.34 and Nanzi Dist., Kaohsiung City Nanzi 1st Section No.158, etc; the Company shall provide funding for those projects and repurchase houses and land allocated to TSC amounting to $638,763, $830,889 and $1,255,300, and shall bear all improvement fees of houses, public facilities and land, selling expenses, and other expenses or contributed expenses required under the decrees. The Company shall not ask for any compensation for price fluctuations or other reasons. Further, under the contract, the Company shall give TSC performance guarantee amounting to $63,880, $83,080 and $125,540, respectively, on the signing date, which will be returned in instalments according to the contractual terms. The Company had provided such performance guarantee with guarantee letter of the bank as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Taichung City Koan An Section No. 591-1	$ 63,880	$ 63,880	$ 63,880
Tainan City Hou Guan Section No. 34	$ -	$ 83,100	$ 83,100
Nanzi Dist., Kaohsiung City Nanzi 1st Section No. 158, etc	$ 125,600	$ 125,600	$ 125,600

Note: The construction has been completed in November 2015 and the performance guarantee has been returned in February 2016.

(14)The Company signed an agreement with Mr. Fang Tsai-Yuan and World Vision United Co., Ltd. on March 5, 2012 and July 17, 2012, respectively, for joint construction of houses. Under those agreements, Mr. Fang Tsai-Yuan and World Vision United Co., Ltd., the owners of land, shall provide the land located at Nos. 572 and 602, Sec. Zhi-Shan 1, Shilin District, Taipei City, respectively, and the Company is responsible for the construction; the houses built would be allocated to both sides based on the specified proportion. In addition, the Company shall give performance bond in the amount of $350,000 and $19,570 to Mr. Fang Tsai-Yuan and World Vision United Co., Ltd., respectively, which would be returned to the Group in installments. As of June 30, 2016, December 31, 2015 and June 30, 2015, balance of the performance bonds were as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
No. 602, Sec. Zhi-Shan 1, Shilin District, Taipei City	$ 350,000	$ 350,000	$ 350,000
No. 572, Sec. Zhi-Shan 1, Shilin District, Taipei City	$ 19,570	$ 19,570	$ 19,570

(15)As of June 30, 2016, December 31, 2015 and June 30, 2015, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta-Chen Construction & Engineering Corp., amounted to $516,458, $572,960 and $781,141, respectively.

(16)The Subsidiary, Ta-Chen Construction & Engineering Corp. (“Ta-Chen”), Hung-Yi Construction Corp. and Evergreen International Engineering Corp. (“Evergreen”) (collectively referred herein as the “joint contractors”) jointly undertook the construction of the new office building of the American Institute in Taiwan. As the joint contractors and the owner of this project both claim the counterparty defaulted on the contract, they terminated the contract and referred the dispute to arbitration. A settlement was reached in August 2013, and the joint contractors would together pay a reconciliation payment amounting to US$16.4 million, which Ta-Chen pays 68.24%. Ta-Chen has estimated and recognized related arbitration expenses, reconciliation payment and construction loss. Furthermore, the settlement agreement between Ta-Chen and the owner, including tax on settlement of $30,178 paid to the Taxation Bureau on behalf of the owner, has been reached. As 2 years have passed from the application of tax refunds and the probability of tax refund is remote, the related other receivables were written off and loss of $30,178 was recognised in 2015.

Furthermore, Ta-Chen has paid the settlement on behalf of the joint contractors. Ta-Chen planned to request Evergreen to pay all payments of $221,000 on behalf of other joint contractors. As the joint contractors have disagreement regarding the contract, Ta-Chen has filed an arbitration application with the Chinese Arbitration Association, Taipei, and received an arbitration award on March 27, 2015 wherein, Evergreen International Engineering shall pay Ta-Chen a total amount of $169,765 plus interest at 5% per annum from December 17, 2013 until the date of payment. Additionally, on June 15, 2015, the arbitration court corrected the payment to $201,427. Ta-Chen reached an agreement with Evergreen on June 18, 2015 that Evergreen shall pay $195,000 and both sides shall withdraw revocation proceedings or application for compulsory enforcement. Therefore, Ta-Chen has written off other receivables and recognized loss of $ 26,100 in 2015.

Ta-Chen received the above payment of $195,000 from Evergreen on June 30, 2015 and the case was closed.

(17)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.

(18)On October 9, 2013, the subsidiary, the Splendor Hotel Taichung, signed a syndicated loan contract with 5 financial institutions, including Taiwan Cooperative Bank, etc., in the amount of $3.3 million, with Prince Housing & Development Corp. and China Metal Products Co., Ltd. as guarantors. Under the contract, the subsidiary promised its tangible net equity shall not be negative and current ratio, liability ratio, tangible net equity and interest coverage of Prince Housing & Development Corp. and China Metal Products Co., Ltd. shall conform to certain criteria as specified in the contract. If the Splendor Hotel Taichung violates above financial commitments, the managing bank has the right to take the following actions, including but not limited, according to the contract or the resolution of majority of the consortium: 1) request the subsidiary to stop drawing down all or part of the loans; 2) cancel all or part of the credit line of the contract which has not been drawn down yet; 3) announce that all outstanding principal, interest and other accrued expenses payable to the consortium in relation to the loan contract should mature immediately; 4) inform the managing bank of the demand for subsidiary's payment of the promissory note acquired under the loan contract; 5) inform the managing bank to exercise creditor's right of mortgage; 6) exercise contract transfer right, or other rights given by the laws, the loan contract or other relevant documents; 7) take other actions as resolved by the majority of the consortium.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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. Fair value information of financial instruments

The carrying amount of cash and cash equivalents and financial instruments measured at amortized cost (including notes and accounts receivable, other receivables, other financial assets, refundable deposits, short-term borrowings, short-term notes and bills payable, notes and accounts payable, other payables, corporate bonds payable, long-term borrowings, long-term notes and accounts payable and guarantee deposits received) are approximate to their fair values. Furthermore, the Group's management believes the carrying amounts of financial assets and liabilities not measured at fair value are approximate to their fair value or their fair value cannot be reliably measured. Thus, the carrying amount is the estimated fair value. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group's finance and accounting division) under policies approved by the Board of Directors. Group's finance and 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 foreign exchange risk, 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 NTD and USD. Foreign exchange risk arises from recognized 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 Group 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.

Interest rate risk

The Group's interest rate risk arises from short-term and long-term borrowings (not including commercial paper). Borrowings issued at variable rates expose 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 variable rate were denominated in the NTD. If interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, pre-tax profit for the six month periods ended June 30, 2016 and 2015 would have been $12,235 and $12,354 lower/higher, respectively.

Price risk

The Group has investments in equity instruments, and the prices would change due to the change of the future value of investee companies. However, the Group has set a stop-loss point and it was assessed that the Group was not exposed to significant price risk. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, pre-tax profit for the six months ended June 30, 2016 and 2015 would have increased/decreased by $34,052, 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 $16,131 and $17,131, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

(b) Credit risk

i. 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. Credit risk arises from cash and deposits with banks and financial institutions, including outstanding receivables.

ii. The Group's receivables, which are the receivables from pre-selling of housing before completing construction and transferring the title, are installments received from customers of pre-construction real estate. Therefore, it was assessed that the Group was not exposed to significant credit risk from receivables.

iii. For the six months ended June 30, 2016 and 2015, the management does not expect any significant losses from non-performance by these counterparties.

(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.

	June 30, 2016		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 2,674,083	$ -	$ -
Short-term notes and bills payable	470,000	-	-
Notes payable	268,249	-	17,919
Accounts payable	2,151,337	50,835	674,735
Other payables (including related parties)	3,066,359	6,181	1,173
Guarantee deposits received	96,322	24,529	19,895
Bonds payable	65,350	4,604,100	-
Long-term borrowings (including current portion)	1,912,758	5,591,225	3,119,672
Long-term notes and accounts payable	-	555,566	618,880

	December 31, 2015		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 2,659,883	$ -	$ -
Short-term notes and bills payable	1,060,000	-	-
Notes payable	26,692	7	-
Accounts payable	2,668,918	654,635	875,364
Other payables (including related parties)	1,520,467	5,461	706
Guarantee deposits received	72,591	27,678	35,450
Bonds payable	65,350	2,104,100	2,500,000
Long-term borrowings (including current portion)	487,551	3,489,212	7,448,165
Long-term notes and accounts payable	-	767,104	618,880

	June 30, 2015		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 3,706,017	$ -	$ -
Short-term notes and bills payable	1,580,000	-	-
Notes payable	230,327	-	-
Accounts payable	2,087,997	374,394	595,945
Other payables	2,508,025	1,870	90
Guarantee deposits received	83,848	20,868	31,290
Bonds payable	65,350	2,065,350	2,538,750
Long-term borrowings (including current portion)	590,383	2,801,612	6,750,499
Long-term notes and accounts payable	-	726,704	628,808

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(12).

B. 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 investment without active market is included in Level 3.

C. 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 June 30, 2016, December 31, 2015 and June 30, 2015 is as follows:

June 30, 2016	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 378,046	$ -	$ -	$ 378,046
Available-for-sale financial assets				
Equity securities	1,152,411	-	183,023	1,335,434
	$ 1,530,457	$ -	$ 183,023	$ 1,713,480

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 557,753	$ -	$ -	$ 557,753
Available-for-sale financial assets				
Equity securities	1,364,796	-	200,146	1,564,942
	$ 1,922,549	$ -	$ 200,146	$ 2,122,695

June 30, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 388,904	$ -	$ -	$ 388,904
Available-for-sale financial assets				
Equity securities	951,242	-	235,076	1,186,318
	$ 1,340,146	$ -	$ 235,076	$ 1,575,222

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) 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

(b)The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the six months ended June 30, 2016 and 2015, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the six months ended June 30, 2016 and 2015:

	2016	2015
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	$ 200,146	$ 276,597
(Loss) gain recognised in other comprehensive income (Note)	(17,123)	(41,521)
June 30	$ 183,023	$ 235,076

Note: Recorded as unrealised valuation gain or loss of available-for-sale financial assets.

G. For the six months ended June 30, 2016 and 2015, there was no transfer into or out from Level 3.

H. Finance and accounting division 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 June 30, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 183,023	Net asset value	Net asset value	N/A	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 200,146	Net asset value	Net asset value	N/A	The higher the net asset value, the higher the fair value

	Fair value at June 30, 2015	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 235,076	Net asset value	Net asset value	N/A	The higher the net asset value, the higher the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. 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:

			June 30, 2016			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	42,984	±1%	$ -	$ -	$ 430	($ 430)

			December 31, 2015			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	44,561	±1%	$ -	$ -	$ 446	($ 446)

			June 30, 2015			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	49,455	±1%	$ -	$ -	$ 495	($ 495)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 5.

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 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

None.

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 period. 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:

	Six months ended June 30, 2016				
Item	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 2,134,479	$ 1,604,426	$ 370,627	$ -	$ 4,109,532
Internal operating revenue-net	370,018	-	33,196	(403,214)	-
Total segment revenue	2,504,497	1,604,426	403,823	-	4,109,532
Costs and expenses	(2,566,758)	(1,394,659)	(294,857)	422,911	(3,833,363)
Segment (loss) income	(62,261)	209,767	108,966		276,169
Other income	151,733	5,004	13,585	(20,516)	149,806
Other gains and losses	13,614	(245)	3		13,372
Finance costs	(113,214)	(29,344)	(749)	13,937	(129,370)
Share of profit of associates and joint ventures accounted for under equity method	224,986	-	10,594	(193,950)	41,630
Profit from continuing operations before tax	214,858	185,182	132,399		351,607
Income tax expense	(19,963)	(18,828)	(2,580)		(41,371)
Net income for the period	$ 194,895	$ 166,354	$ 129,819		$ 310,236
Segment assets	$ 47,247,340	$ 7,560,078	$ 2,317,767	(5,015,235)	$ 52,109,950

Item	Six months ended June 30, 2015				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 3,661,049	$ 1,706,746	$ 363,446	$ -	$ 5,731,241
Internal operating revenue-net	461,836	-	20,067	(481,903)	-
Total segment revenue	4,122,885	1,706,746	383,513	-	5,731,241
Costs and expenses	(3,818,590)	(1,473,437)	(281,368)	510,175	(5,063,220)
Segment income	304,295	233,309	102,145		668,021
Other income	206,221	6,160	17,204	(20,412)	209,173
Other gains and losses	35,556	(352)	(19,585)	28,876	44,495
Finance costs	(164,301)	(31,918)	(108)	18,525	(177,802)
Share of profit of associates and joint ventures accounted for under equity method	381,794	-	5,261	(317,834)	69,221
Profit from continuing operations before tax	763,565	207,199	104,917		813,108
Income tax expense	(80,830)	(20,638)	(2,620)		(104,088)
Net income for the period	$ 682,735	$ 186,561	$ 102,297		$ 709,020
Segment assets	$ 48,553,276	$ 7,632,593	$ 2,573,952	(4,956,419)	$ 53,803,402

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

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

Prince Housing & Development Corp. and Subsidiaries

Loans to others

Six months ended June 30, 2016

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2016	Balance at June 30, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Note
0	Prince Housing & Development Corp.	Ta-Chen Construction & Engineering Corp.	Other receivables - related parties	Y	$ 200,000	$ -	$ -	2.7	Short-term financing	$ -	Additional operating capital	$ -	None	$ -	$ 500,000	$ 9,258,019	Note 2
1	Prince Security Co., Ltd.	Prince Property Management Consulting Co., Ltd	Other receivables - related parties	Y	15,000	15,000	11,500	2.7	Short-term financing	-	Additional operating capital	-	None	-	30,000	81,696	Note 3
2	Time Square International Co., Ltd.	Prince Housing & Development Corp.	Other receivables - related parties	Y	200,000	-	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	300,751	300,751	Note 4

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 the Company's "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.

Note 3: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Prince Security Co., Ltd.'s "Procedures for Provision of Loans" are as follows:
A. Limit 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$20 million 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$30 million.

Note 4: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Time Square International Co., Ltd.'s "Procedures for Provision of Loans" are as follows:
A. Limit on total loans to others: 30% 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 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 30% of the Company's net worth.

Prince Housing & Development Corp. and Subsidiaries

Provision of endorsements and guarantees to others

Six months ended June 30, 2016

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2016	Outstanding endorsement/ guarantee amount at June 30, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Prince Housing & Development Corp.	Ta-Chen Construction & Engineering Corp.	3	$ 4,629,010	$ 1,900,000	$ 1,900,000	$ -	$ -	8%	$ 11,572,524	Y	N	N	Note 3
0	Prince Housing & Development Corp.	Prince Real Estate Co., Ltd.	2	4,629,010	2,500,000	2,500,000	780,000	-	11%	11,572,524	Y	N	N	Note 3
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung	6	4,629,010	2,000,000	2,000,000	1,695,793	-	9%	11,572,524	Y	N	N	Note 3
1	Dong-Feng Enterprises Co., Ltd.	Prince Housing & Development Corp.	4	2,000,000	1,810,889	1,810,889	-	-	1062%	4,000,000	N	Y	N	Note 4
2	Prince Utility Co., Ltd.	Prince Housing & Development Corp.	4	1,000,000	900,000	900,000	638,763	-	834%	2,000,000	N	Y	N	Note 5
3	Prince Real Estate Co., Ltd.	Prince Housing & Development Corp.	4	2,500,000	2,500,000	2,500,000	2,035,309	-	182%	5,000,000	N	Y	N	Note 6
4	Ta-Chen Construction & Engineering Corp.	Prince Housing & Development Corp.	4	1,500,000	927,889	927,889	-	-	135%	3,000,000	N	Y	N	Note 7
5	Prince Apartment Management Maintain Co., Ltd.	Prince Security Co., Ltd.	3	20,000	20,000	20,000	10,000	-	29%	50,000	N	N	N	Note 8
6	Prince Property Management Consulting Co., Ltd.	Prince Security Co., Ltd.	2	56,000	56,000	56,000	10,000	-	33%	120,000	N	N	N	Note 9

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 six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3:In accordance with the Group’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.

Note 4: In accordance with Dong-Feng Enterprises Co., Ltd.'s related regulations, the limit of endorsements and guarantees for any single entity is $2,000,000; the total accumulated amount is $4,000,000.

Note 5: In accordance with Prince Utility Co., Ltd.'s related regulations, the limit of endorsements and guarantees for any single entity is $1,000,000; the total accumulated amount is $2,000,000.

Note 6: In accordance with Prince Real Estate Co., Ltd.'s related regulations, the limit of endorsements and guarantees for any single entity is $2,500,000; the total accumulated amount is $5,000,000.

Note 7: In accordance with Ta-Chen Construction & Engineering Corp.'s related regulations, the limit of endorsements and guarantees for any single entity is $1,500,000; the total accumulated amount is $3,000,000.

Note 8: In accordance with Prince Apartment Management Maintain Co., Ltd.'s related regulations, the limit of endorsements and guarantees for any single entity is $20,000; the total accumulated amount is $50,000.

Note 9: In accordance with Prince Property Management Consulting Co., Ltd.'s related regulation, the limit of endorsements and guarantees for any single entity is $56,000; the total accumulated amount is $120,000.

Prince Housing & Development Corp. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2016

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of June 30, 2016 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Available-for sale financial assets - non-current	6,534,922	$ 170,235	Note 1	$ 26.05	Listed company, Note 3
	Stock	ScinoPharm Taiwan, Ltd.	None	Available-for sale financial assets - non-current	21,825,001	952,661	Note 1	43.65	Listed company, Note 4
	Stock	Simplo Technology Co., Ltd.	None	Available-for sale financial assets - non-current	127,249	14,316	Note 1	112.50	OTC company
	Stock	Easywell Biomedicals, Inc.	None	Available-for sale financial assets - non-current	8,441	239	Note 1	28.30	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Available-for sale financial assets - non-current	1,400,000	13,267	Note 1	9.48	
	Stock	Grand Bills Finance Corp.	None	Available-for sale financial assets - non-current	48,672	799	Note 1	16.41	
	Stock	Chipwell Tech. Corp.	None	Available-for sale financial assets - non-current	344,488	1,775	Note 1	5.15	
	Stock	Nanmat Technology Co., Ltd.	None	Available-for sale financial assets - non-current	1,198,956	17,148	Note 1	14.30	
	Stock	Southern Science Joint Development .	None	Available-for sale financial assets - non-current	10,000	132,783	10.00	13,278.34	
	Stock	Changing Information Technology Co., Ltd.	None	Available-for sale financial assets - non-current	119,075	1,378	Note 1	11.57	
	Stock	Formosoft International Co., Ltd.	None	Available-for sale financial assets - non-current	35,589	169	Note 1	4.75	
	Stock	President Energy Development Corp.	None	Financial assets measured at cost - non-current	1,380,000	36,280	6.00	36.01	
	Stock	President International Development Corp.	None	Financial assets measured at cost - non-current	87,745,770	841,520	6.63	10.09	Note 5
	Stock	Jia-Cheng Venture Capital Investment Co., Ltd	None	Financial assets measured at cost - non-current	759,024	-	Note 1	Note 2	
	Stock	Jia-Hua Venture Capital Investment Co., Ltd.	None	Financial assets measured at cost - non-current	1,211,228	-	7.90	Note 2	
	Stock	Ever-Move Technology Co., Ltd.	None	Financial assets measured at cost - non-current	3,076	-	Note 1	Note 2	
	Stock	Chuang-Jing Technology Co., Ltd.	None	Financial assets measured at cost - non-current	12,645	-	Note 1	Note 2	
	Stock	Bao-Mao Technology Co., Ltd.	None	Financial assets measured at cost - non-current	27,933	-	Note 1	Note 2	
	Stock	Jie-Lun Technology Co., Ltd.	None	Financial assets measured at cost - non-current	17,280	-	Note 1	Note 2	
	Stock	Quan-Mao Technology Co., Ltd.	None	Financial assets measured at cost - non-current	341,745	-	6.79	Note 2	
	Stock	Wei-Jun Technology Co., Ltd.	None	Financial assets measured at cost - non-current	1,846	-	Note 1	Note 2	
	Stock	Chieh-Cheng Technology Co., Ltd.	None	Financial assets measured at cost - non-current	41,343	-	Note 1	Note 2	
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	78,138	-	12.40	Note 6

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of June 30, 2016 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Ta-Chen Construction & Engineering Corp.	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - current	11,512,781	$ 299,908	Note 1	$ 26.05	Note 7
	Stock	Chipwell Tech. Corp.	None	Available-for sale financial assets - non-current	349,990	1,803	Note 1	5.15	
	Stock	Nanmat Technology Co., Ltd.	None	Available-for sale financial assets - non-current	1,344,624	20,062	5.09	14.92	
	Repurchase bonds	International Bills Finance Corp.	None	Cash equivalents-repurchase bonds	-	50,000	-	-	
Time Square International Co.,Ltd.	Repurchase bonds	China Bills Finance Corp.	None	Cash equivalents-repurchase bonds	-	7,000	-	-	
Prince Housing Investment Co., Ltd.	Stock	Tou Itsu Investments Inc.	None	Available-for sale financial assets - non-current	600	19	15.00	USD 1.00	
Prince Apartment Management Maintain Co., Ltd.	Stock	Prince Housing & Development Corp.	Parent company	Available-for sale financial assets - non-current	655,424	6,161	Note 1	11.95	
	Stock	Tainan Spinning Co., Ltd.	None	Available-for sale financial assets - non-current	122,201	1,735	Note 1	14.20	
Dong-Feng Enterprises Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Available-for sale financial assets - non-current	167,829	4,078	Note 1	26.05	
	Stock	Sung Gang Asset Management Co., Ltd.	None	Available-for sale financial assets - non-current	47,968	1,367	Note 1	27.30	
Prince Security Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Available-for sale financial assets - non-current	179,283	1,600	Note 1	14.30	

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

Note 2: We have not received the financial statements from management. Thus the net value cannot be measured.

Note 3: 4,088 thousand shares of outstanding common stock were used as collateral for loan.

Note 4: 17,276 thousand shares of outstanding common stock were used as collateral for loan.

Note 5: 60,000 thousand shares of outstanding common stock were used as collateral for loan.

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

Note 7: 10,000 thousand shares of outstanding common stock were used as collateral for loan.

Prince Housing & Development Corp. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Six months ended June 30, 2016

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2016		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2016	
Investor	Marketable securities (Note 1)	General ledger account	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 Real Estate Co., Ltd.	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current			13,678,487	$ 200,000	8,052,760	$ 117,910	21,731,247	$ 318,261	$ 317,910	$ 351	-	$ -

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. and Subsidiaries

Acquisition of real estate reaching $300 million or 20% of paid-in capital or more

Six months ended June 30, 2016

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Prince Housing & Development Corp.	Ren Wu Dist. Xia Hai Lot No. 978, etc.	2013/06/14 (Note 1)	Note 2	$ 1,108,017	Redevelopment zone of Xia Hai Term, Renwu District, Kaohsiung City	Third party	-	-	-	$ -	Note 2	For operating use	None
Prince Housing & Development Corp.	Nanzi subsection No. 158,etc.	2014/11/07 (Note 3)	$ 1,255,309	794,651	Taiwan Sugar Corporation	Third party	-	-	-	-	Market value	For operating use	None

Note 1: The transfer of title took place on settlement date.

Note 2: In order to purchase 67.13% of areas from the north side of the offset-expenditure land in the redevelopment zone, the transaction amount was the expected price including compensation for demolition to all land owners of north side of the offset-expenditure land, compensation for demolition to owners of parkland to be (67.13%), construction expenses in all regions (67.13%) and interests arising from re-planning committee's borrowing from the Group to pay aforementioned expenses.

Note 3: November 7, 2014 was the signing date of the contract. The Company paid $535,857 for the current period. As of June 30, 2016, the Company has already paid $794,651.

Prince Housing & Development Corp. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Six months ended June 30, 2016

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated

			Transaction				Differences in transaction terms compared to third party transactions（Note 1）		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2)
Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	Subsidiary	Purchases	$ 213,115	16%	Payments were paid in accordance with the contract terms	It is reasonable compared to the normal tradings	It is reasonable compared to the normal tradings	($ 15,285)	(1%)	

Prince Housing & Development Corp. and Subsidiaries
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
June 30, 2016

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

					Overdue			
Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2016	Turnover rate	Amount	Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Prince Housing & Development Corp.	The Splender Hotel Taichung	Subsidiary	Other assets - obligation receivable $ 575,000	-	$ -	-	$ -	$ -

Prince Housing & Development Corp. and Subsidiaries

Significant inter-company transactions during the reporting periods

Six months ended June 30, 2016

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Prince Housing & Development Corp.	Ta-Chen Construction & Engineering Corp.	The Company to the consolidated subsidiaries	Construction in progress	$ 121,373	-	0.23%
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	The Company to the consolidated subsidiaries	Purchases	213,115	Based on mutual agreements	5.19%
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	The Company to the consolidated subsidiaries	Construction in progress	301,539	-	0.58%
0	Prince Housing & Development Corp.	The Splender Hotel Taichung	The Company to the consolidated subsidiaries	Endorsement and guarantee	1,695,793	In accordance with endorsement and guarantee procedures	3.25%
0	Prince Housing & Development Corp.	The Splender Hotel Taichung	The Company to the consolidated subsidiaries	Other assets - obligation receivables	575,000	Creditor's rights purchase contract	1.10%
0	Prince Housing & Development Corp.	Prince Real Estate Co., Ltd.	The Company to the consolidated subsidiaries	Endorsement and guarantee	780,000	In accordance with endorsement and guarantee procedures	1.50%
1	Prince Utility Co., Ltd.	Prince Housing & Development Corp.	The consolidated subsidiaries to the Company	Endorsement and guarantee	638,763	In accordance with endorsement and guarantee procedures	1.23%
2	Prince Real Estate Co., Ltd.	Prince Housing & Development Corp.	The consolidated subsidiaries to the Company	Endorsement and guarantee	2,035,309	In accordance with endorsement and guarantee procedures	3.91%

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

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

Prince Housing & Development Corp. and Subsidiaries

Information on investees

Six months ended June 30, 2016

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2016	Initial investment amount: Balance as at June 30, 2015	Shares held as at June 30, 2016: Number of shares	Shares held as at June 30, 2016: Ownership (%)	Shares held as at June 30, 2016: Book value	Net profit (loss) of the investee for the six months ended June 30, 2016	Investment income (loss) recognised by the Company for the six months ended June 30, 2016	Footnote
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	$ 1,146,925	$ 1,146,925	97,504,758	100%	$ 989,536	$ 62,054	$ 76,658	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100%	280,433	9,294	10,114	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30%	337,618	38,095	11,428	Note 4
	Prince Housing Investment Co., Ltd.	British Virgin Islands	Overseas investment	140,413	140,413	428	100%	435,096	32,862	32,862	Note 2
	BioSun Technology Co., Ltd.	Taiwan	Anti-mildew's import and export	1,000	1,000	100,000	100%	1,010	3	3	Note 2
	Dong-Feng Enterprises Co., Ltd.	Taiwan	Housebuilders and sales	746,431	876,431	4,300,000	100%	(151,315)	4,175	4,175	Notes 2 and 7
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30%	1,206,771	66,383	19,934	Note 5
	The Splender Hotel Taichung	Taiwan	Hotels and catering	975,000	975,000	97,500,000	50%	324,878	(27,581)	(13,791)	Note 2
	Time Square International Co., Ltd.	Taiwan	Hotels and catering	600,000	600,000	73,830,000	100%	(372,546)	89,713	89,713	Note 2
	Jin Yi Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(503,475)	(9)	(9)	Notes 2
	Ming-Da Enterprise Co., Ltd.	Taiwan	Real estate trading	127,400	127,400	9,202,249	20%	133,309	(1,791)	(358)	
	Prince Industrial Co., Ltd.	Taiwan	Development of public housing and building	10,000	10,000	1,000,000	100%	9,551	(23)	(23)	Note 2
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	11,208,632	99.65%	1,211,251	(4,379)	(5,722)	Notes 1 and 2
Cheng-Shi Investment Holdings Co., Ltd	Ta-Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	90,497,528	100%	742,763	46,805	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100%	112,991	6,082	-	Notes 2 and 3
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100%	286,346	6,444	-	Notes 2 and 3
Ta-Chen Construction & Engineering Corp.	Ta-Chen International (Brunei) Corp.	Brunei	Overseas investment	9,464	9,464	323,000	100%	4,637	27	-	Notes 2, 3 and 6

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2016	Initial investment amount: Balance as at June 30, 2015	Shares held as at June 30, 2016: Number of shares	Shares held as at June 30, 2016: Ownership (%)	Shares held as at June 30, 2016: Book value	Net profit (loss) of the investee for the six months ended June 30, 2016	Investment income (loss) recognised by the Company for the six months ended June 30, 2016	Footnote
Prince Housing Investment Co., Ltd.	PPG Investment Inc.	U.S.A	Overseas investment	$ 56,945	$ 56,945	273	27.27%	$ 14,468	$ 3,777	$ -	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.27%	377,717	35,586	-	Note 3
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Taiwan	Management of apartments	67,853	67,853	3,000,000	100%	72,762	1,275	-	Notes 2 and 3
	Prince Security Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100%	209,982	8,523	-	Notes 2 and 3
Dong-Feng Enterprises Co., Ltd.	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	305,480	305,480	21,644,062	45.21%	(137,127)	(239)	-	Note 3
Ta-Chen International (Brunei) Corp.	Ta Chen Construction & Engineering (Vietnam) Corp.	Vietnam	Construction	9,440	9,440	-	100%	4,482	3	-	Notes 2, 3 and 6

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

Note 2: Subsidiary.

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

Note 4: Provided 12,000 thousand shares as collateral.

Note 5: Provided 108,000 thousand shares as collateral.

Note 6: Ta-Chen International (Brunei) Corp. and Ta Chen Construction & Engineering(Vietnam) Corp. are in the dissolution process.

Note 7: Dong-Feng Enterprises Co., Ltd. decreased its capital by $130,000 in April 2016 and the amount of issued shares eliminated was 13,000 thousand shares.