PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 30, 2019 AND 2018

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Prince Housing & Development Corp. and subsidiaries (the "Group") as at September 30, 2019 and 2018, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT$8,432,373 thousand and NT$8,774,993 thousand, constituting 15% and 16% of the consolidated total assets, and total liabilities of NT$4,789,880 thousand and NT$5,086,911 thousand, constituting 15% and 17% of the consolidated total liabilities as at September 30, 2019 and 2018, respectively, and total comprehensive income of NT$21,665 thousand, NT$3,351 thousand, NT$210,714 thousand and NT$187,771 thousand, constituting 19%, 2%, 25% and 31% of the consolidated total comprehensive income for the three months and nine months then ended. As explained in Note 6(7), investments accounted for under equity method were assessed and disclosed based on the financial statements that were not reviewed by the independent accountants, which statements reflect share of profit of associates and joint ventures of NT$21,429 thousand, NT$13,868 thousand, NT$45,750 thousand and NT$13,117 thousand for the three months and nine months ended September 30, 2019 and 2018, respectively, and investments (including credit balance transferred to other non-current liabilities - others of NT$139,114 thousand and NT$143,723 thousand) of NT$1,693,242 thousand and NT$1,682,385 thousand as at September 30, 2019 and 2018, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2019 and 2018, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Tien, Chung-Yu　　　　Wu, Chien-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

November 7, 2019

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 September 30, 2019 and 2018 are reviewed, not audited)

			September 30, 2019		December 31, 2018		September 30, 2018	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 5,379,658	10	$ 3,968,253	8	$ 3,569,611	7
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	1,803,416	3	1,524,269	3	1,292,729	2
1140	Current contract assets	6(25)	685,470	1	616,853	1	407,241	1
1150	Notes receivable, net	6(4)	96,111	-	72,170	-	251,903	1
1170	Accounts receivable, net	6(4)	426,435	1	1,715,273	4	673,342	1
1180	Accounts receivable - related parties	6(4) and 7	27,645	-	27,793	-	22,262	-
1200	Other receivables		37,815	-	99,502	-	138,173	-
130X	Inventories, net	6(5) and 8	20,550,945	37	21,958,127	43	23,132,921	43
1410	Prepayments		175,687	1	318,246	1	285,737	1
1476	Other financial assets - current	8	1,054,523	2	970,839	2	3,584,417	7
1479	Other current assets	6(6)	60,073	-	44,254	-	201,899	-
11XX	**Current Assets**		30,297,778	55	31,315,579	62	33,560,235	63
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	79,222	-	78,906	-	78,813	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	1,818,532	3	1,792,162	4	1,878,759	4
1550	Investments accounted for under equity method	6(7) and 8	1,832,356	3	1,847,468	4	1,826,108	3
1600	Property, plant and equipment, net	6(8) and 8	6,078,613	11	6,226,443	12	6,280,938	12
1755	Right-of-use assets	6(9) and 7	5,779,727	11	-	-	-	-
1760	Investment property, net	6(11) and 8	5,713,450	11	5,777,841	11	5,800,407	11
1780	Intangible assets, net	6(12)	2,072,179	4	2,118,323	4	2,132,806	4
1840	Deferred income tax assets		140,926	-	141,697	-	142,320	-
1920	Refundable deposits	7 and 9	124,833	-	255,028	1	476,868	1
1980	Other financial assets - non-current	8	1,283,499	2	1,121,692	2	1,141,843	2
1990	Other non-current assets		99,666	-	80,464	-	77,153	-
15XX	**Non-current assets**		25,023,003	45	19,440,024	38	19,836,015	37
1XXX	**Total assets**		$ 55,320,781	100	$ 50,755,603	100	$ 53,396,250	100

(Continued)

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2019 and 2018 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%	September 30, 2018 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	$ 1,985,000	4	$ 990,000	2	$ 1,350,000	3
2110	Short-term notes and bills payable	6(14) and 8	79,973	-	401,734	1	801,309	2
2130	Current contract liabilities	6(25)	768,063	1	961,024	2	1,232,480	2
2150	Notes payable		6,358	-	4,885	-	4,389	-
2170	Accounts payable		1,754,463	3	2,804,917	6	1,994,688	4
2200	Other payables		919,183	2	1,083,613	2	923,795	2
2220	Other payables - related parties	7	46,498	-	85,953	-	50,503	-
2230	Current income tax liabilities		35,342	-	68,155	-	19,554	-
2280	Current lease liabilities	7	372,125	1	-	-	-	-
2310	Receipts in advance	6(15)	97,076	-	64,175	-	93,962	-
2320	Long-term liabilities, current portion	6(16)(17) and 8	4,149,329	8	3,643,297	7	9,159,040	17
2399	Other current liabilities		32,442	-	95,888	-	56,114	-
21XX	**Current Liabilities**		10,245,852	19	10,203,641	20	15,685,834	30
	Non-current liabilities							
2530	Bonds payable	6(16)	4,500,000	8	4,500,000	9	4,500,000	9
2540	Long-term borrowings	6(17) and 8	8,993,530	16	9,799,357	19	7,306,635	14
2550	Provisions for liabilities - non-current	6(18)	98,524	-	87,196	-	105,662	-
2570	Deferred income tax liabilities	6(30)	298,127	1	307,672	1	314,515	1
2580	Non-current lease liabilities	7	5,998,784	11	-	-	-	-
2610	Long-term notes and accounts payable		808,301	2	721,633	2	757,457	1
2620	Long-term notes and accounts payable to related parties	7	-	-	551,632	1	556,656	1
2640	Net defined benefit liability - non-current	6(19)	75,022	-	72,352	-	75,829	-
2645	Guarantee deposits received		160,774	-	136,162	-	144,805	-
2670	Other non-current liabilities	6(7)	193,700	-	198,077	-	195,950	-
25XX	**Non-current liabilities**		21,126,762	38	16,374,081	32	13,957,509	26
2XXX	**Total Liabilities**		31,372,614	57	26,577,722	52	29,643,343	56
	Equity attributable to owners of parent							
	Share capital	6(20)						
3110	common stock		16,233,261	29	16,233,261	32	16,233,261	30
	Capital surplus	6(21)						
3200	Capital surplus		2,260,513	5	2,260,513	5	2,260,513	4
	Retained earnings	6(22)						
3310	Legal reserve		2,058,870	4	1,933,605	4	1,933,605	4
3350	Unappropriated retained earnings		2,296,394	4	2,660,209	5	2,141,074	4
	Other equity interest	6(23)						
3400	Other equity interest		814,401	1	788,031	1	881,725	2
3500	Treasury stocks	6(20)	(1,003)	-	(1,003)	-	(1,003)	-
31XX	**Equity attributable to owners of the parent**		23,662,436	43	23,874,616	47	23,449,175	44
36XX	**Non-controlling interest**		285,731	-	303,265	1	303,732	-
3XXX	**Total equity**		23,948,167	43	24,177,881	48	23,752,907	44
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total liabilities and equity**		$ 55,320,781	100	$ 50,755,603	100	$ 53,396,250	100

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

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

			Three months ended September 30				Nine months ended September 30			
			2019		2018		2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(25) and 7	$ 2,675,586	100	$ 2,439,901	100	$ 8,781,820	100	$ 6,417,863	100
5000	**Operating costs**	6(5)(12)(29)	(1,972,422)	(74)	(1,748,644)	(72)	(6,390,328)	(73)	(4,389,815)	(68)
5900	**Gross profit**		703,164	26	691,257	28	2,391,492	27	2,028,048	32
	Operating expenses	6(12)(29) and 7								
6100	Selling expenses		(85,255)	(3)	(89,471)	(3)	(327,245)	(4)	(228,149)	(4)
6200	General and administrative expenses		(467,749)	(17)	(460,378)	(19)	(1,351,117)	(15)	(1,299,645)	(20)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	18	-	(38)	-	34	-	110	-
6000	**Total operating expenses**		(552,986)	(20)	(549,887)	(22)	(1,678,328)	(19)	(1,527,684)	(24)
6900	**Operating profit**		150,178	6	141,370	6	713,164	8	500,364	8
	Non-operating income and expenses									
7010	Other income	6(26)	176,030	6	109,585	4	250,838	3	213,493	3
7020	Other gains and losses	6(2)(27)	(25,915)	(1)	66,972	3	111,340	1	201,908	3
7050	Finance costs	6(5)(28) and 7	(82,212)	(3)	(62,129)	(3)	(243,776)	(3)	(156,055)	(2)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	21,429	1	13,868	1	45,750	1	13,117	-
7000	**Total non-operating income and expenses**		89,332	3	128,296	5	164,152	2	272,463	4
7900	**Profit before income tax**		239,510	9	269,666	11	877,316	10	772,827	12
7950	Income tax expense	6(30)	(18,659)	(1)	(16,527)	(1)	(77,158)	(1)	(49,725)	(1)
8200	**Profit for the period**		$ 220,851	8	$ 253,139	10	$ 800,158	9	$ 723,102	11
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Total expenses, by nature	6(3)(23)	($ 108,213)	(4)	($ 35,990)	(1)	$ 26,370	-	($ 117,296)	(2)
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		(108,213)	(4)	(35,990)	(1)	26,370	-	(117,296)	(2)
8300	**Total other comprehensive income (loss)for the period**		($ 108,213)	(4)	($ 35,990)	(1)	$ 26,370	-	($ 117,296)	(2)
8500	**Total comprehensive income for the period**		$ 112,638	4	$ 217,149	9	$ 826,528	9	$ 605,806	9
	Profit (loss), attributable to:									
8610	Owners of the parent		$ 228,529	8	$ 254,035	10	$ 816,612	9	$ 733,752	11
8620	Non-controlling interest		(7,678)	-	(896)	-	(16,454)	-	(10,650)	-
			$ 220,851	8	$ 253,139	10	$ 800,158	9	$ 723,102	11
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 120,316	4	$ 218,045	9	$ 842,982	9	$ 616,456	9
8720	Non-controlling interest		(7,678)	-	(896)	-	(16,454)	-	(10,650)	-
			$ 112,638	4	$ 217,149	9	$ 826,528	9	$ 605,806	9
	Earnings per share (in dollars)	6(31)								
9750	**Basic earnings per share**		$	0.14	$	0.16	$	0.50	$	0.45
9850	**Diluted earnings per share**		$	0.14	$	0.16	$	0.50	$	0.45

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

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	Financial statements translation differences of foreign operations	Unrealised gains or loss on financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
Nine months ended September 30, 2018												
Balance at January 1, 2018		$ 16,233,261	$ 2,260,513	$ 1,805,495	$ 2,589,627	($ 48)	$ -	$ 974,425	($ 1,003)	$ 23,862,270	$ 314,382	$ 24,176,652
Effects of retrospective adjustments	6(23)	-	-	-	-	-	1,000,036	(974,425)	-	25,611	-	25,611
Balance at January 1, 2018 after adjustments		16,233,261	2,260,513	1,805,495	2,589,627	(48)	1,000,036	-	(1,003)	23,887,881	314,382	24,202,263
Profit (loss) for the period	6(31)	-	-	-	733,752	-	-	-	-	733,752	(10,650)	723,102
Other comprehensive loss for the period	6(3)(23)	-	-	-	-	-	(117,296)	-	-	(117,296)	-	(117,296)
Total comprehensive income (loss) for the period		-	-	-	733,752	-	(117,296)	-	-	616,456	(10,650)	605,806
Appropriations and distribution of 2017 earnings:												
Legal reserve		-	-	128,110	(128,110)	-	-	-	-	-	-	-
Cash dividends	6(22)	-	-	-	(1,055,162)	-	-	-	-	(1,055,162)	-	(1,055,162)
Disposal of financial assets at fair value through other comprehensive income	6(3)(23)	-	-	-	967	-	(967)	-	-	-	-	-
Balance at September 30, 2018		$ 16,233,261	$ 2,260,513	$ 1,933,605	$ 2,141,074	($ 48)	$ 881,773	$ -	($ 1,003)	$ 23,449,175	$ 303,732	$ 23,752,907
Nine months ended September 30, 2019												
Balance at January 1, 2019		$ 16,233,261	$ 2,260,513	$ 1,933,605	$ 2,660,209	($ 48)	$ 788,079	$ -	($ 1,003)	$ 23,874,616	$ 303,265	$ 24,177,881
Profit for the period	6(31)	-	-	-	816,612	-	-	-	-	816,612	(16,454)	800,158
Other comprehensive income for the period	6(3)(23)	-	-	-	-	-	26,370	-	-	26,370	-	26,370
Total comprehensive income (loss) for the period		-	-	-	816,612	-	26,370	-	-	842,982	(16,454)	826,528
Appropriations and distribution of 2018 earnings:												
Legal reserve		-	-	125,265	(125,265)	-	-	-	-	-	-	-
Cash dividends	6(22)	-	-	-	(1,055,162)	-	-	-	-	(1,055,162)	-	(1,055,162)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	(1,080)	(1,080)
Balance at September 30, 2019		$ 16,233,261	$ 2,260,513	$ 2,058,870	$ 2,296,394	($ 48)	$ 814,449	$ -	($ 1,003)	$ 23,662,436	$ 285,731	$ 23,948,167

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

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

	Notes	Nine months ended September 30, 2019	Nine months ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 877,316	$ 772,827
Adjustments			
Income and expenses having no effect on cash flows			
Net gain on financial assets at fair value through profit or loss	6(2)(27)	(49,597)	(93,883)
Reversal of expected credit losses	12(2)	(34)	(110)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(45,750)	(13,117)
(Gain) loss on disposal of property, plant and equipment		(333)	1,084
Gain arising from lease modification		(12)	-
Gain on disposal of investment property		(37)	(613)
Property, plant and equipment transferred to expenses		23	1,071
Depreciation	6(8)(9)(11)(29)	547,420	257,179
Amortization	6(12)(29)	46,465	46,777
Interest expense	6(28)	242,876	155,155
Interest income	6(26)	(9,395)	(6,663)
Dividend income	6(3)(26)	(101,300)	(143,128)
Loss on unrealized foreign exchange		-	(12,690)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(229,866)	(360,000)
Current contract assets		(68,617)	(36,664)
Notes receivable		(23,941)	(154,415)
Accounts receivable		1,288,872	21,544
Accounts receivable - related parties		148	(8,072)
Other receivables		61,687	18,510
Inventories		1,407,182	(1,068,858)
Prepayments		150,138	(32,860)
Other current assets		(15,819)	28,746
Other non-current liabilities		(19,306)	727
Changes in operating liabilities			
Current contract liabilites		(192,961)	29,441
Notes payable		1,473	(12,778)
Accounts payable		(1,050,454)	(310,659)
Other payables		(150,516)	(115,418)
Other payables - related parties		(19,360)	(14,148)
Advance receipts		32,901	22,475
Other current liabilities		(63,446)	3,712
Provisions for liabilities - non-current		11,328	6,123
Long-term notes and accounts payable - related parties		-	(15,071)
Net defined benefit liability - non-current		2,670	(16,945)
Other non-current liabilities		133	(580)
Cash inflow (outflow) generated from operations		2,629,888	(1,051,301)
Interest received		9,395	6,663
Cash dividend received		157,652	175,060
Interest paid		(264,369)	(124,833)
Income tax paid		(118,745)	(73,680)
Net cash flows from (used in) operating activities		2,413,821	(1,068,091)

(Continued)

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

	Notes	Nine months ended September 30, 2019	Nine months ended September 30, 2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other financial assets - current		($ 83,684)	($ 2,230,119)
Acquisition of property, plant and equipment	6(8)	(45,362)	(51,264)
Proceeds from disposal of property, plant and equipment		5,230	32
Proceeds from disposal of investment property		879	3,075
Increase in intangible assets	6(12)	(400)	(110)
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current	6(3)	-	1,786
Return of share capital from financial assets at fair value through other comprehensive income - non-current		-	10,057
Decrease in refundable deposits		130,195	120,868
Increase in other financial assets - non-current		(161,807)	(330,786)
Net cash flows used in investing activities		(154,949)	(2,476,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(34)	995,000	490,000
Decrease in short-term notes and bills payable	6(34)	(321,761)	(254,249)
Proceeds from issuance of bonds	6(34)	-	2,500,000
Repayment of long-term borrowings	6(34)	(21,933,935)	(14,777,604)
Proceeds from long-term borrowings	6(34)	21,634,140	15,958,804
Increase in long-term notes and accounts payable	6(34)	86,668	13,111
Increase in guarantee deposits received	6(34)	24,612	8,607
Principal repayments to leases	6(34)	(275,949)	-
Cash dividends paid	6(22)	(1,055,162)	(1,055,162)
Changes in non-controlling interest		(1,080)	-
Net cash flows (used in) from financing activities		(847,467)	2,883,507
Effect of exchange rate changes on cash and cash equivalents		-	8,807
Net increase (decrease) in cash and cash equivalents		1,411,405	(652,238)
Cash and cash equivalents at beginning of period		3,968,253	4,221,849
Cash and cash equivalents at end of period		$ 5,379,658	$ 3,569,611

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

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

(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

(1) Prince Housing & Development Corp. (the "Company") was established in September 1973, under the Company Act and other related regulations. The Company is primarily engaged in the construction, leasing and sale of public housing, commercial building, tourism/recreation place (children's playground, water park, etc.) and parking lot/parking tower, and leasing and sale of real estate. The common shares of the Company have been listed on the Taiwan Stock Exchange since April 1991.

(2) The main activities of the Company and its subsidiaries (collectively referred herein as the "Group") are provided in Note 4(3) B.

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

These consolidated financial statements were reported to the Board of Directors on November 7, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9,'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases	January 1, 2019
Amendments to IFRS 19,'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28,'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

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

IFRS 16, 'Leases'

A. 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.

B. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Group increased 'right-of-use asset' by $6,073,115, increased 'lease liability' by $6,644,842, decreased other payables-related parties and long-term notes and accounts payable-related parties by $20,095 and $551,632, respectively, with respect to the lease contracts of lessees on January 1, 2019.

C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16.

(a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.

(b) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

(c) The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of $2,396 was recognised for the nine months ended September 30, 2019.

(d) The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

D. The Group calculated the present value of lease liabilities by using weighted average incremental borrowing interest rate range from 1.52% to 2.21%.

E. The Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	10,733,376
Less: Non-cancellable operating lease agreements unreached the commencement date	(	3,184,379)
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	$	7,548,997
Incremental borrowing interest rate at the date of initial application		1.52%~2.21%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	$	6,644,842

(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 2020 are as follows：

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8,'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3,'Definition of a business'	January 1, 2020

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020
Amendments to IFRS 10 and IAS 28,'Sale of contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2018, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2018.

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with the basis used in the 2018 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2019	Ownership (%) December 31, 2018	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
	The Splendor Hotel Taichung	Hotels and catering	50	50	Notes 1 and 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	Note 2
	Prince Industrial Co., Ltd.	Development of public housing and building	100	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68	99.68	Notes 2 and 5
	Times Square International Holdings Co., Ltd.	General investments	100	100	Note 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
Times Square International Holdings Co., Ltd.	Times Square International Hotel Corp.	Hotels and catering	100	100	Note 4
	Times Square International Stays Corp.	Hotels and catering	100	100	Notes 2 and 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2018	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
	Dong-Feng Enterprises Co., Ltd.	Housebuilders and sales	100	Notes 3 and 5
	The Splendor Hotel Taichung	Hotels and catering	50	Notes 1 and 2
	Times Square International Hotel Co, Ltd.	Hotels and catering	100	Note 4
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	Note 2
	Prince Industrial Co., Ltd.	Development of public housing and building	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.65	Notes 2 and 5

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2018	Description
	Times Square International Stays Corp.	Hotels and catering	100	Notes 2 and 4
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Management of apartment	100	Note 2
	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

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: The financial statements of the entity as of and for the nine months ended September 30, 2019 and 2018 were not reviewed by the independent accountants as the entity did not meet the definition of a significant subsidiary.

Note 3: The financial statements of the entity as of and for the nine months ended September 30, 2018 were not reviewed by the independent accountants as the entity did not meet the definition of a significant subsidiary.

Note 4: Times Square International Stays Corp. was established in July 2018, and originally was a wholly-owned subsidiary of the Company. The Company converted its equity interests in Times Square International Stays Corp. and Times Square International Hotel into shares of Times Square International Investment Holdings Co., Ltd due to group reorganisation, and the date of conversion of stock into shares was December 24, 2018.

Note 5: On December 31, 2018, Dong-Feng Enterprises Co., Ltd. was merged into Prince Real Estate Co., Ltd. Under the merger, Dong-Feng Enterprises Co., Ltd. will be the dissolved company while Prince Real Estate Co., Ltd. will be the surviving company.

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) Leasing arrangements (lessor)-operating leases

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

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

Effective 2019

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(6) Employee benefits

Pension-defined contribution 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.

(7) Income taxes

A. 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

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

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

Investment property

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

(2) Critical accounting estimates and assumptions

Revenue recognition

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2019	December 31, 2018	September 30, 2018
Cash on hand and revolving funds	$ 10,554	$ 10,427	$ 9,256
Checking accounts and demand deposits	4,868,121	3,732,826	3,285,355
Time deposits	-	-	150,000
Repurchase bonds	500,983	225,000	125,000
	$ 5,379,658	$ 3,968,253	$ 3,569,611

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 has high liquidity, so they were classified as cash equivalents.

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

Items	September 30, 2019	December 31, 2018	September 30, 2018
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed (TSE and OTC) stocks	$ 264,520	$ 264,520	$ 264,520
Beneficiary certificates	1,381,486	1,151,620	900,620
	1,646,006	1,416,140	1,165,140
Valuation adjustments	157,410	108,129	127,589
	$ 1,803,416	$ 1,524,269	$ 1,292,729

Items	September 30, 2019	December 31, 2018	September 30, 2018
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 76,000	$ 76,000	$ 76,000
Valuation adjustments	3,222	2,906	2,813
	$ 79,222	$ 78,906	$ 78,813

A. The Group recognised net (loss) gain of ($61,526), $31,257, $49,597 and $93,883 on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2019 and 2018, respectively.

B. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

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

Items	September 30, 2019	December 31, 2018	September 30, 2018
Non-current items:			
Designation of equity instrument			
Listed stocks	$ 115,144	$ 115,144	$ 116,176
Unlisted stocks	888,151	888,151	888,170
	1,003,295	1,003,295	1,004,346
Valuation adjustment	815,237	788,867	874,413
	$ 1,818,532	$ 1,792,162	$ 1,878,759

A. The Group has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,818,532, $1,792,162 and $1,878,759 as at September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

B. In response to the modified investment strategy, the Group sold $1,786 of unlisted stocks at fair value and resulted in cumulative gains on disposal of $967 for the nine months ended September 30, 2018.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30,	
	2019	2018
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 108,213)	$ 35,990
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ -
Dividend income recognised in profit or loss held at end of period	$ 101,264	$ 88,108

	Nine months ended September 30,	
	2019	2018
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 26,370	($ 117,296)
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 967
Dividend income recognised in profit or loss held at end of period	$ 101,300	$ 143,128

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

(4) Notes and accounts receivable, net

	September 30, 2019	December 31, 2018	September 30, 2018
Notes receivable	$ 96,111	$ 72,170	$ 251,903
Accounts receivable	$ 430,872	$ 1,719,773	$ 677,853
Less: Allowance for doubtful accounts	(4,437)	(4,500)	(4,511)
	$ 426,435	$ 1,715,273	$ 673,342
Accounts receivable - related parties	$ 27,645	$ 27,793	$ 22,262

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

	September 30, 2019		December 31, 2018		September 30, 2018	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	$ 96,111	$ 453,032	$ 72,170	$ 1,737,372	$ 251,903	$ 694,449
Up to 30 days	-	-	-	5,086	-	-
31 to 60 days	-	-	-	33	-	-
61 to 90 days	-	-	-	-	-	-
Over 90 days	-	5,485	-	5,075	-	5,666
	$ 96,111	$ 458,517	$ 72,170	$ 1,747,566	$ 251,903	$ 700,115

The above ageing analysis was based on past due date.

B. As of September 30, 2019, December 31, 2018, September 30, 2018 and January 1, 2018, the balances of receivables (including notes receivable) from contracts with customers amounted to $460,004, $1,766,657, $705,195 and $680,268, respectively.

C. As at September 30, 2019, December 31, 2018 and September 30, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $96,111, $72,170 and $251,903 respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $454,080, $1,743,066 and $695,604, respectively.

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

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

(5) Inventories

	September 30, 2019		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	$ 8,331,217	($ 64,249)	$ 8,266,968
Construction in progress	4,875,582	-	4,875,582
Buildings and land held for sale	5,859,129	(12,258)	5,846,871
Prepayment for land	282,111	-	282,111
Prepayment for buildings and land	1,255,485	-	1,255,485
Merchandise	23,928	-	23,928
	$ 20,627,452	($ 76,507)	$ 20,550,945

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	$ 8,609,821	($ 64,249)	$ 8,545,572
Construction in progress	4,181,706	-	4,181,706
Buildings and land held for sale	8,099,706	(12,662)	8,087,044
Prepayment for land	282,111	-	282,111
Prepayment for buildings and land	841,421	-	841,421
Merchandise	20,273	-	20,273
	$ 22,035,038	($ 76,911)	$ 21,958,127

	September 30, 2018		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	$ 9,070,053	($ 64,249)	$ 9,005,804
Construction in progress	6,083,562	-	6,083,562
Buildings and land held for sale	6,270,719	(13,275)	6,257,444
Prepayment for land	282,111	-	282,111
Prepayment for buildings and land	1,480,266	-	1,480,266
Merchandise	23,734	-	23,734
	$ 23,210,445	($ 77,524)	$ 23,132,921

A. The cost of inventories recognised as expense for the three months and nine months ended September 30, 2019 and 2018 was $1,564,753, $1,274,389, $5,087,689 and $2,894,149, respectively, including the amounts of $-, $-, $404 and $26,054, respectively, that the Group wrote down from cost to net realisable value accounted for as cost of goods sold.

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

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

	Three months ended September 30, 2019	Three months ended September 30, 2018
Interest paid before capitalization	$ 122,243	$ 115,600
Interest capitalized	$ 40,331	$ 53,771
Annual interest rate used for capitalization	0.76%-2.50%	0.69%-2.58%

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Interest paid before capitalization	$ 365,759	$ 324,708
Interest capitalized	$ 122,883	$ 169,553
Annual interest rate used for capitalization	0.68%-2.50%	0.69%-2.58%

D. Details of significant inventories:

(a) Buildings and land in progress

Taipei branch	September 30, 2019	December 31, 2018	September 30, 2018
Ling Ko Dist. Li Shing Section No. 1209, etc.	$ 1,947,702	$ 1,852,235	$ 1,824,809
W Prince (New Taipei City Shing Jheng Section No.883, etc.)	1,283,962	1,185,483	1,128,208
Bali Dist Chung Chang Section No.222 and 211-1, etc.	689,088	689,088	689,082
Prince pine garden (Jhong Li City Shuang Ling Section No. 1449, etc.)	-	686,574	673,869
Prince Hua Wei (Shilin Dist. Zhishan Section No. 602, etc.)	-	-	721,621
	$ 3,920,752	$ 4,413,380	$ 5,037,589

Taichung branch	September 30, 2019	December 31, 2018	September 30, 2018
Ping Hsin Section No. 694, etc.	$ 1,507,590	$ 1,260,063	$ 1,175,805
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	212,248	207,536	207,313
W Epoch (Kao An Section No. 591-1)	-	-	584,030
Prince Shin Fu (Hsinfuliao Section No. 1096, No. 1097, No.1098, No. 1108, etc.)	-	-	396,239
	$ 1,719,838	$ 1,467,599	$ 2,363,387

Tainan branch	September 30, 2019	December 31, 2018	September 30, 2018
Prince Feng Yun (Hsin Ying Section No. 841-9)	$ 1,180,153	$ 1,093,329	$ 1,037,015
Jin Hua Section No. 1361	688,265	688,265	688,265
Shan Chia Section No. 939, etc.	155,914	154,651	154,623
Prince WIN2(Chin An Section No. 296, No. 297, etc.)	-	-	309,260
Others	3,738	3,738	3,738
	$ 2,028,070	$ 1,939,983	$ 2,192,901

Kaohsiung branch	September 30, 2019	December 31, 2018	September 30, 2018
Prince Yun (Nanzi subsection No. 158)	$ 1,874,691	$ 1,509,936	$ 1,244,571
Prince Cloud B (Ren Wu New Hougang West Section No .42, etc.)	379,154	379,154	379,154
Prince Cloud E townhouse (Ren Wu New Hougang West Section No .90, etc.)	348,665	153,757	72,926
Ren Wu New Hougang West Section No. 88 experimental house	72,933	72,933	72,933
Prince Cloud C apartment (Ren Wu New Hougang West Section No. 69-148 etc.)	-	-	632,603
	$ 2,675,443	$ 2,115,780	$ 2,402,187
Total buildings and land in progress	$ 10,344,103	$ 9,936,742	$ 11,996,064

(b)Land held for construction site

Taipei branch	September 30, 2019	December 31, 2018	September 30, 2018
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	September 30, 2019	December 31, 2018	September 30, 2018
Wu Feng Lot No. 365~855 etc.	$ 175,661	$ 175,661	$ 175,661
Song Quan Lot No. 164 etc.	137,697	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513	19,513
Xi Zhou Lot No. 112-54 etc.	2,766	2,766	2,766
Others	11,713	11,713	13,905
	$ 422,429	$ 422,429	$ 424,621

Tainan branch	September 30, 2019	December 31, 2018	September 30, 2018
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. 373~377	15,139	15,139	15,139
Bao An Lot No. 882, etc.	10,325	10,325	10,325
Chin An Section No. 294.	-	-	49,640
Others	14,550	14,550	14,550
	$ 369,465	$ 369,465	$ 419,105

Kaohsiung branch	September 30, 2019	December 31, 2018	September 30, 2018
Ren Wu New Hougang West Section No. 53, etc.	$ 872,986	$ 872,986	$ 968,071
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357	407,357
Da Hua Lot No. 434 & 436	13,923	13,923	13,923
	$ 1,294,266	$ 1,294,266	$ 1,389,351
Total land held for construction site	$ 2,232,294	$ 2,232,294	$ 2,379,211

(c)Buildings and land held for sale

Taipei branch	September 30, 2019	December 31, 2018	September 30, 2018
Taipei Shin Yi (Xin Zhuang Fuduxin)	$ 1,285,955	$ 1,516,042	$ 1,660,679
Price Hua Wei	936,352	936,352	-
Prince pine garden	582,983	-	-
Prince Fu III	223,891	830,889	1,129,410
Prince Da Din	12,025	12,235	12,235
Prince Guo Boa	5,738	5,738	5,738
Prince Fu II	-	25,395	87,134
Others	546	546	546
	$ 3,047,490	$ 3,327,197	$ 2,895,742

Taichung branch	September 30, 2019	December 31, 2018	September 30, 2018
Prince Xian Heng	$ 1,357,234	$ 1,416,409	$ 1,416,409
W Epoch	551,163	992,044	-
Prince Shin Fu	45,507	343,573	-
Chin Fon Gin	20,759	40,718	113,247
Chaotun Section	9,058	20,542	643,586
Others	6,118	6,118	6,118
	$ 1,989,839	$ 2,819,404	$ 2,179,360

Tainan branch	September 30, 2019	December 31, 2018	September 30, 2018
Flower Bo Five	$ 602,173	$ 719,686	$ 742,858
PrinceWIN2	106,598	229,619	-
Prince Jum Fon Huei	36,617	170,269	268,761
Jun Chan LV	19,725	19,725	19,725
Prince Golden Age	5,302	5,302	6,094
Others	2,292	2,292	2,292
	$ 772,707	$ 1,146,893	$ 1,039,730

Kaohsiung branch	September 30, 2019	December 31, 2018	September 30, 2018
Prince Hua Yang	$ 54,641	$ 54,641	$ 54,641
Prince Cloud C apartment	29,159	637,544	-
Prince Cloud D	22,206	91,355	127,888
Prince Dai Din	7,170	8,473	8,473
Prince Cloud C townhouse	-	$ 7,669	34,551
	$ 113,176	$ 799,682	$ 225,553
Total buildings and land held for sale	$ 5,923,212	$ 8,093,176	$ 6,340,385

(d)Prepayment for land

	September 30, 2019	December 31, 2018	September 30, 2018
Tainan branch			
Ren Wu New Hougang West Section No. 20, etc.	$ 282,111	$ 282,111	$ 282,111

(e)Prepayment for buildings and land

	September 30, 2019	December 31, 2018	September 30, 2018
Taisugar Nanzi Section	$ 1,255,485	$ 841,421	$ 841,421
Taisugar Kao An Section	-	-	638,845
	$ 1,255,485	$ 841,421	$ 1,480,266

E. Disclosure of significant constructions:

(a) As of September 30, 2019, significant constructions are set forth below:

Name of construction contract		Contract amount		Estimated construction cost	Percentage of completion		Accumulated construction profit/(loss)
Tai She Zhi Shan Yuan - New construction	$	2,428,216	$	2,314,089	65.90%	$	75,210
Tainan Metropolitan Expressway		1,681,905		1,606,206	26.71%		20,219
Construction of T.S. Landmark Plaza ($1.2 billion)		1,792,455		1,745,827	29.38%		13,699
No.3, Zhonglu, Taoyuan City		1,151,305		1,093,740	8.37%		4,818
Construction of T.S. Landmark Plaza ($0.8 billion)		1,050,252		1,019,832	35.07%		10,668

(b) As of December 31, 2018, significant constructions are set forth below:

Name of construction contract		Contract amount		Estimated construction cost	Percentage of completion		Accumulated construction profit/(loss)
Tai She Zhi Shan Yuan - New construction	$	2,417,143	$	2,272,083	41.75%	$	60,563
West Coast Expressway 130K FangLi to Dia An Construction		2,091,193		1,989,749	99.71%		101,150
Tainan Metropolitan Expressway		1,681,905		1,606,206	3.46%		2,619
Construction of T.S. Landmark Plaza ($1.2 billion)		1,280,520		1,245,727	9.33%		3,246
No.3, Zhonglu, Taoyuan City		1,151,305		1,093,740	1.03%		593

(c) As of September 30, 2018, significant constructions are set forth below:

Name of construction contract		Contract amount		Estimated construction cost	Percentage of completion		Accumulated construction profit/(loss)
Tai She Zhi Shan Yuan - New construction	$	2,417,143	$	2,272,083	23.87%	$	34,626
West Coast Expressway 130K FangLi to Dia An Construction		2,056,675		1,969,427	99.87%		87,135
Tainan Metropolitan Expressway		1,681,905		1,606,206	0.22%		167
Construction of T.S. Landmark Plaza ($1.2 billion)		1,280,520		1,245,727	4.78%		1,663

(6) Other current assets

Items	September 30, 2019	December 31, 2018	September 30, 2018
Deferred sales commission (Note)	$ 41,096	$ 41,096	$ 186,982
Others	18,977	3,158	14,917
	$ 60,073	$ 44,254	$ 201,899

Note: For the nine months ended September 30, 2019 and 2018, deferred sales commission (incremental costs of obtaining a contract) reclassified as selling expenses amounted to $0 and $69,189, respectively.

(7) Investments accounted for under equity method

	September 30, 2019		December 31, 2018		September 30, 2018	
Name of associates	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Geng-Ding Co., Ltd.	$ 281,490	30.00%	$ 285,763	30.00%	$ 289,594	30.00%
Uni-President Development Corp.	1,126,691	30.00%	1,130,857	30.00%	1,112,029	30.00%
PPG Investment Inc. (Note 1)	3,215	27.30%	-	27.30%	-	27.30%
Queen Holdings Ltd.	395,574	27.30%	400,022	27.30%	394,055	27.30%
Ming-Da Enterprise Co., Ltd.	25,386	20.00%	30,826	20.00%	30,430	20.00%
Amida Truslink Assets Management Co., Ltd. (Note 2)	-	45.21%	-	45.21%	-	45.21%
	$ 1,832,356		$1,847,468		$1,826,108	

Note 1：As of December 31, 2018 and September 30, 2018, carrying amount of investments in PPG Investment Inc. has been transferred to other non-current liabilities in the amount of $4,510 and $4,893 as it had declined to less than zero, respectively.

Note 2: As of September 30, 2019, December 31, 2018 and September 30, 2018, the book value of the Company's investment in Amida Truslink Assets Management Co., Ltd. was a credit balance thus, the investment was transferred to other non-current liabilities which amounted to $139,114, $139,114 and $138,830, respectively.

Associates

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

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

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

Balance sheet

	Uni President Development Corp.		
	September 30, 2019	December 31, 2018	September 30, 2018
Current assets	$ 321,601	$ 206,849	$ 226,910
Non-current assets	7,948,970	8,271,368	8,442,203
Current liabilities	(3,453,061)	(3,205,874)	(3,391,092)
Non-current liabilities	(1,061,871)	(1,502,821)	(1,571,259)
Total net assets	$ 3,755,639	$ 3,769,522	$ 3,706,762
Share in associate's net assets	$ 1,126,691	$ 1,130,857	$ 1,112,029

Statements of comprehensive income

	Uni President Development Corp.	
	Three months ended September 30,	
	2019	2018
Revenue	$ 228,881	$ 215,978
Profit for the period from continuing operations	$ 26,842	$ 16,504
Total comprehensive income	$ 26,842	$ 16,504
Dividends received from associates	$ 31,428	$ 30,132

	Uni President Development Corp.	
	Nine months ended September 30,	
	2019	2018
Revenue	$ 695,280	$ 679,626
Profit for the period from continuing operations	$ 90,876	$ 53,334
Total comprehensive income	$ 90,876	$ 53,334
Dividends received from associates	$ 31,428	$ 30,132

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:
As of September 30, 2019, December 31, 2018 and September 30, 2018, the carrying amount of the Group's individually immaterial associates amounted to $566,551, $572,987 and $570,356, respectively.

	Three months ended September 30,	
	2019	2018
Income for the period from continuing operations	$ 47,493	$ 31,515
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 47,493	$ 31,515

	Nine months ended September 30,	
	2019	2018
Income for the period from continuing operations	$ 68,526	($ 7,061)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss)	$ 68,526	($ 7,061)

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

E. The Group's investments accounted for using equity method expressed herein was solely based on investees' financial statements of the same reporting periods which were not reviewed by the independent accountants. For the three months and nine months ended September 30, 2019 and 2018, the Group recognised share of profit of associates accounted for using equity method of $21,429, $13,868 $45,750 and $13,117 and the investments as at September 30, 2019 and 2018, totalled $1,693,242 and $1,682,385, respectively. The disclosures in relation to certain investments accounted for using equity method as at December 31, 2018, were solely based on investees' financial statements which were audited by other independent accountants. The investments accounted for using equity method as at December 31, 2018 was $542,161.

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

(8) Property, plant and equipment

A. Details of book values are as follows:

	September 30, 2019	December 31, 2018	September 30, 2018
Land	$ 2,864,210	$ 2,865,610	$ 2,865,610
Buildings	2,875,474	2,998,461	3,039,291
Machinery and equipment	4,716	5,299	5,637
Computer and communication equipment	2,526	3,741	4,262
Transportation equipment	3,723	3,626	3,946
Office equipment	243,385	262,073	276,950
Leasehold improvements	20,674	21,669	22,001
Other equipment	51,051	53,999	55,673
Construction in progress and equipment under acceptance	12,854	11,965	7,568
	$ 6,078,613	$ 6,226,443	$ 6,280,938

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

	Nine months ended September 30, 2019				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land					
Assets used by the Company	$ 1,453,999	$ -	($ 1,400)	$ -	$ 1,452,599
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Company	2,683,084	6,541	(1,400)	3,042	2,691,267
Assets subject to operating leases	1,869,859	-	(1,050)	-	1,868,809
Machinery and equipment	15,886	752	-	-	16,638
Computer and communication equipment	60,113	120	(34)	-	60,199
Transportation equipment	13,695	1,200	(1,296)	-	13,599
Office equipment	839,153	23,411	(17,505)	6,951	852,010
Leasehold improvements	73,533	-	-	-	73,533
Other equipment	94,204	2,331	(1,931)	308	94,912
Construction in progress and equipment under acceptance	11,965	11,007	-	(10,118)	12,854
	$ 8,527,102	$ 45,362	($ 24,616)	$ 183	$ 8,548,031

Cost	Nine months ended September 30, 2018 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land					
Assets used by the Company	$ 1,453,999	$ -	$ -	$ -	$ 1,453,999
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Company	2,666,653	10,796	-	3,637	2,681,086
Assets subject to operating leases	1,888,276	1,937	(26,034)	4,850	1,869,029
Machinery and equipment	15,314	510	-	-	15,824
Computer and communication equipment	61,609	-	-	-	61,609
Transportation equipment	13,695	-	-	-	13,695
Office equipment	841,888	19,162	(14,454)	8,959	855,555
Leasehold improvements	73,533	-	-	-	73,533
Other equipment	92,828	3,370	(2,226)	612	94,584
Construction in progress and prepayments for equipment	7,178	15,489	-	(15,099)	7,568
	$ 8,526,584	$ 51,264	($ 42,714)	$ 2,959	$ 8,538,093

Accumulated depreciation	Nine months ended September 30, 2019 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	$ 1,039,987	$ 83,493	($ 175)	$ -	$ 1,123,305
Assets subject to operating leases	514,495	47,852	(1,050)	-	561,297
Machinery and equipment	10,587	1,335	-	-	11,922
Computer and communication equipment	56,372	1,335	(34)	-	57,673
Transportation equipment	10,069	1,004	(1,197)	-	9,876
Office equipment	577,080	48,463	(16,918)	-	608,625
Leasehold improvements	51,864	995	-	-	52,859
Other equipment	40,205	3,978	(322)	-	43,861
	$ 2,300,659	$ 188,455	($ 19,696)	$ -	$ 2,469,418

Accumulated depreciation	Nine months ended September 30, 2018 Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	$ 930,008	$ 82,330	$ -	$ -	$ 1,012,338
Assets subject to operating leases	476,512	48,008	(26,034)	-	498,486
Machinery and equipment	9,010	1,177	-	-	10,187
Computer and communication equipment	54,743	2,604	-	-	57,347
Transportation equipment	8,790	959	-	-	9,749
Office equipment	538,655	54,118	(14,168)	-	578,605
Leasehold improvements	50,537	995	-	-	51,532
Other equipment	35,443	3,793	(325)	-	38,911
	$ 2,103,698	$ 193,984	($ 40,527)	$ -	$ 2,257,155

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

(9) Leasing arrangements—lessee

Effective 2019

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

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

	September 30, 2019	Three months ended September 30, 2019	Nine months ended September 30, 2019
	Book value	Depreciation expense	Depreciation expense
Land	$ 25,126	$ 740	$ 2,221
Buildings and structures	5,752,930	97,241	292,190
Machinery and equipment (private branch exchange)	1,137	213	639
Transportation equipment (business vehicles)	534	122	366
	$ 5,779,727	$ 98,316	$ 295,416

C. For the three months and nine months ended September 30, 2019, the additions to right-of-use assets and lease liabilities were $- and $78, respectively.

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

	Three months ended September 30, 2019	Nine months ended September 30, 2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 24,838	$ 75,597
Expense on short-term lease contracts	885	2,396
Expense on leases of low-value assets	111	608
Expense on variable lease payments	12,468	47,142

E. For the three months and nine months ended September 30, 2019, the Group's total cash outflow for leases amounted to $130,781 and $401,692, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to volume of business generated from a business area. For business areas, up to 0.61% of lease payments are on the basis of variable payment terms and are accrued based on the revenue. Variable payment terms are used for a variety of reasons, including additional revenue exceeding the base revenue, and rental income is calculated based on an agreed upon rate of revenue. Various lease payments that depend on revenue are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 10% increase in the aggregate revenue of all business areas with such variable lease contracts would increase total lease payments by approximately 11.63%.

G. Extension and termination options

(a) Extension options are included in approximately 95.12% of the Group's lease contracts pertaining to offices, business areas and cafeterias. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.

(b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(c) Based on the assessment on exercising the extension option, an increase in the right-of-use assets and lease liabilities both amounting to $4,848 was recognised as at September 30, 2019.

(10) Leasing arrangements – lessor

A. The Group leases various assets including offices, dormitories, long-term rental suites and parking lot. Rental contracts are typically made for periods of 0.5 and 11 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure lease assets, the lessee may be asked that leased assets may not be used as security for borrowing purposes or cannot be lent, subleased, sold or granted in any different form to the third parties by the lessors.

B. Gain arising from operating lease agreements for the three months and nine months ended September 30, 2019 are as follows:

	Three months ended September 30, 2019	Nine months ended September 30, 2019
Rent income	$ 99,835	$ 294,182
Rent income arising from variable lease payments	$ 37,770	$ 76,820

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

	September 30, 2019
October 1, 2019 to September 30, 2020	$ 370,736
October 1, 2020 to September 30, 2024	461,285
After October 1, 2024	263
	$ 832,284

(11) Investment property

A. Details of book values are as follows:

	September 30, 2019	December 31, 2018	September 30, 2018
Land	$ 265,550	$ 265,550	$ 265,550
Leased assets-land	2,590,760	2,590,774	2,590,796
Leased assets-buildings	2,857,140	2,921,517	2,944,061
	$ 5,713,450	$ 5,777,841	$ 5,800,407

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

	Nine months ended September 30, 2019				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 265,550	$ -	$ -	$ -	$ 265,550
Leased assets - land	2,590,774	-	(14)	-	2,590,760
Leased assets - buildings	3,917,001	-	(1,089)	-	3,915,912
	$ 6,773,325	$ -	($ 1,103)	$ -	$ 6,772,222

	Nine months ended September 30, 2018				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 265,550	$ -	$ -	$ -	$ 265,550
Leased assets - land	2,592,078	-	(91)	(1,191)	2,590,796
Leased assets - buildings	3,922,660	-	(3,006)	(1,022)	3,918,632
	$ 6,780,288	$ -	($ 3,097)	($ 2,213)	$ 6,774,978

	Nine months ended September 30, 2019				
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	$ 995,484	$ 63,549	($ 261)	$ -	$ 1,058,772

	Nine months ended September 30, 2018				
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	$ 912,403	$ 63,195	($ 635)	($ 392)	$ 974,571

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

	Three months ended September 30,	
	2019	2018
Rental revenue from the lease of the investment property	$ 98,762	$ 98,257
Direct operating expenses arising from the investment property that generated rental income in the period	$ 42,309	$ 41,098
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Rental revenue from the lease of the investment property	$ 296,801	$ 290,787
Direct operating expenses arising from the investment property that generated rental income in the period	$ 121,338	$ 118,003
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

D. As of September 30, 2019, December 31, 2018 and September 30, 2018, the fair value of the investment property held by the Group was $12,715,642, $12,756,468 and $12,776,617, respectively. The Group management estimated the fair value based on market evidence on transaction price of similar property and assessed value. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

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

(12) Intangible assets

A. Details of book values are as follows:

	September 30, 2019	December 31, 2018	September 30, 2018
Service concession	$ 2,070,742	$ 2,116,681	$ 2,131,995
Software	1,437	1,642	811
	$ 2,072,179	$ 2,118,323	$ 2,132,806

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

	Nine months ended September 30, 2019				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 2,868,372	$ -	$ -	$ -	$ 2,868,372
Software	6,253	400	(157)	(106)	6,390
	$ 2,874,625	$ 400	($ 157)	($ 106)	$ 2,874,762

	Nine months ended September 30, 2018				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 2,868,372	$ -	$ -	$ -	$ 2,868,372
Software	5,099	110	(254)	-	4,955
	$ 2,873,471	$ 110	($ 254)	$ -	$ 2,873,327

	Nine months ended September 30, 2019				
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 751,691	$ 45,939	$ -	$ -	$ 797,630
Software	4,611	526	(157)	(27)	4,953
	$ 756,302	$ 46,465	($ 157)	($ 27)	$ 802,583

	Nine months ended September 30, 2018				
Accumulated Amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 690,438	$ 45,939	$ -	$ -	$ 736,377
Software	3,560	838	(254)	-	4,144
	$ 693,998	$ 46,777	($ 254)	$ -	$ 740,521

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

	Three months ended September 30,	
	2019	2018
Operating costs	$ 15,313	$ 15,313
Administrative expenses	208	238
	$ 15,521	$ 15,551

	Nine months ended September 30,	
	2019	2018
Operating costs	$ 45,939	$ 45,939
Administrative expenses	526	838
	$ 46,465	$ 46,777

(13) Short-term borrowings

	September 30, 2019	December 31, 2018	September 30, 2018
Unsecured bank borrowings	$ 1,655,000	$ 940,000	$ 1,050,000
Secured bank borrowings	330,000	50,000	300,000
	$ 1,985,000	$ 990,000	$ 1,350,000
Interest rate range	1.47%~1.97%	1.53%~1.79%	1.63%~1.85%

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

(14) Short-term notes and bills payable

	September 30, 2019	December 31, 2018	September 30, 2018
Commercial papers	$ 80,000	$ 401,900	$ 801,900
Less: Unamortized discount	(27)	(166)	(591)
	$ 79,973	$ 401,734	$ 801,309
Interest rate range	1.15%~1.60%	1.19%~1.43%	0.70%~1.59%

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

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

(15) Receipts in advance

Items	September 30, 2019	December 31, 2018	September 30, 2018
Advance rent	$ 95,935	$ 62,731	$ 92,572
Other advance receipts	1,141	1,444	1,390
	$ 97,076	$ 64,175	$ 93,962

(16) Bonds payable

	September 30, 2019	December 31, 2018	September 30, 2018
2013 1st secured ordinary bonds payable	$ -	$ -	$ 2,500,000
2017 1st secured ordinary bonds payable	2,000,000	2,000,000	2,000,000
2018 1st secured ordinary bonds payable	2,500,000	2,500,000	2,500,000
	4,500,000	4,500,000	7,000,000
Less: Expiring within one year	-	-	(2,500,000)
	$ 4,500,000	$ 4,500,000	$ 4,500,000

A. 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.

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

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

(b)Issue price: At par value of $1,000 per bond

(c)Coupon rate: 1.05%

(d)Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2017 based on the coupon rate.

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

(f)Period: 5 years, from June 19, 2017 to June 19, 2022.

(g)The way of security: Secured by Bank of Taiwan.

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

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

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

(b)Issue price: At par value of $1,000 per bond

(c)Coupon rate: 0.84%

(d)Terms of interest repayment: The bonds interest is calculated on simple rate every year starting June 2018 based on the coupon rate.

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

(f)Period: 5 years, from June 15, 2018 to June 15, 2023.

(g)The way of security: Secured by Bank of Taiwan.

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

(17) Long-term borrowings

	September 30, 2019	December 31, 2018	September 30, 2018
Secured bank borrowings	$ 11,054,647	$ 9,718,821	$ 10,214,495
Unsecured bank borrowings	1,017,200	2,554,400	2,792,200
	12,071,847	12,273,221	13,006,695
Less: Current portion	(4,149,329)	(3,643,297)	(6,659,040)
	7,922,518	8,629,924	6,347,655
Commerical papers	1,071,900	1,170,000	960,000
Less: Unamortized discount	(888)	(567)	(1,020)
	1,071,012	1,169,433	958,980
	$ 8,993,530	$ 9,799,357	$ 7,306,635
Range of maturity dates	2020.04.02~2027.11.02	2019.06.27~2027.11.02	2018.10.15~2027.11.02
Range of maturity rates	0.69%~2.41%	0.60%~2.41%	0.56%~2.50%

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

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

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

(18) Provisions - replacement cost

	2019	2018
At January 1	$ 87,196	$ 99,539
Additions	34,179	30,886
Used	(22,851)	(24,763)
At September 30	$ 98,524	$ 105,662

(19) Pension

A.(a)The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 8% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $337, $488, $1,011 and $1,464 for the three months and nine months ended September 30, 2019 and 2018, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 amount to $5,696.

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

(b)The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2019 and 2018, were $14,911, $16,294, $40,839 and $48,266, respectively.

(20) Share capital

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

	2019	2018
Shares at January 1 and September 30	1,622,671	1,622,671

B. As of September 30, 2019, the Company's authorized capital was $20,000,000, and the paid-in capital was $16,233,261 with a par value of NT$10 per share, consisting of 1,623,326 thousand shares of ordinary stock.

C. As of September 30, 2019, December 31, 2018 and September 30, 2018, the Company's subsidiary, Prince Apartment Management Maintain Co., Ltd., held the Company's stocks to maintain equity interest in the Company. The amount of shares held by the subsidiary was all 655 thousand shares, the average par value was all NT$1.53 per share, and the fair value was, NTS$ 11.00, NT$10.20 and NT$10.90 per share, respectively.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Capital surplus			
2019	Share premium	Treasury share transaction	Others	Total
At January 1, 2019 (At September 30, 2019)	$ 1,375,442	$ 877,839	$ 7,232	$ 2,260,513

	Capital surplus			
2018	Share premium	Treasury share transaction	Others	Total
At January 1, 2018 (At September 30, 2018)	$ 1,375,442	$ 877,839	$ 7,232	$ 2,260,513

(22) Retained earnings

A. In accordance with the Company's Articles of Incorporation, the Company will take into consideration its future business plans and capital expenditures in determining the amount of earnings to be retained and to be distributed. In accordance with the Company Law, 10% of the current year's earnings, after payment of all taxes and after offsetting accumulated deficit, shall be set aside as legal reserve until the balance of legal reserve is equal to that of issued share capital. Afterwards, an amount shall be appropriated or reversed as special reserve in accordance with applicable legal or regulatory requirements, along with prior years' accumulated unappropriated retained earnings, and then distribution should be in the following order: stock dividend and bonus to shareholders are no less than 20% of the accumulated distributable earnings, in current period and cash dividend is at least 30% of the total stock dividend and bonus; the appropriation of earnings is proposed by the Board of Directors and resolved by the shareholders.

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

C. The Company recognised dividends distributed to owners both amounting to $1,055,162 ($0.65 (in dollars) per share) for the nine months ended September 30, 2019 and 2018.

(23) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2019	$ 788,079	($ 48)	$ 788,031
Revaluation - gross	26,370	-	26,370
At September 30, 2019	$ 814,449	($ 48)	$ 814,401

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2018	$ 974,425	($ 48)	$ 974,377
Effect of retrospective application	25,611	-	25,611
Revaluation - gross	(117,296)	-	(117,296)
Revaluation transferred to retained earnings - gross	(967)	-	(967)
At September 30, 2018	$ 881,773	($ 48)	$ 881,725

(24) Maturity analysis of assets and liabilities

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

	Within 12 months	Over 12 months	Total
September 30, 2019			
Assets			
Notes receivable, net	$ 56,417	$ 3,014	$ 59,431
Accounts receivable, net (including related parties)	229,658	101,992	331,650
Contract assets	79,388	606,082	685,470
Inventories	12,177,241	8,349,776	20,527,017
	$ 12,542,704	$ 9,060,864	$ 21,603,568
Liabilities			
Contract payable	$ 435,384	$ 128,857	$ 564,241
Notes payable	4,599	-	4,599
Accounts payable	749,358	912,177	1,661,535
Long-term notes and accounts payable	-	11,456	11,456
	$ 1,189,341	$ 1,052,490	$ 2,241,831

	Within 12 months	Over 12 months	Total
December 31, 2018			
Assets			
Notes receivable, net	$ 48,899	$ 3,174	$ 52,073
Accounts receivable, net (including related parties)	1,306,149	278,524	1,584,673
Contract assets	210,227	406,626	616,853
Inventories	8,899,739	13,038,115	21,937,854
	$ 10,465,014	$ 13,726,439	$ 24,191,453
Liabilities			
Contract payable	$ 740,465	$ 29,420	$ 769,885
Notes payable	4,528	-	4,528
Accounts payable	1,419,404	1,263,726	2,683,130
Long-term notes and accounts payable	-	11,456	11,456
	$ 2,164,397	$ 1,304,602	$ 3,468,999

	Within 12 months	Over 12 months	Total
September 30, 2018			
Assets			
Notes receivable, net	$ 215,410	$ 4,084	$ 219,494
Accounts receivable, net (including related parties)	421,999	119,454	541,453
Contract assets	207,906	199,335	407,241
Inventories	9,360,394	13,748,793	23,109,187
	$ 10,205,709	$ 14,071,666	$ 24,277,375
Liabilities			
Accounts payable	$ 1,001,564	$ 944,714	$ 1,946,278
Contract payable	1,042,665	14,378	1,057,043
Long-term notes and accounts payable	-	11,456	11,456
	$ 2,044,229	$ 970,548	$ 3,014,777

(25) Operating revenue

	Three months ended September 30,	
	2019	2018
Revenue from contracts with customers	$ 2,597,565	$ 2,362,439
Other - rental revenue	78,021	77,462
	$ 2,675,586	$ 2,439,901

	Nine months ended September 30,	
	2019	2018
Revenue from contracts with customers	$ 8,446,645	$ 6,075,834
Other - rental revenue	335,175	342,029
	$ 8,781,820	$ 6,417,863

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

Three months ended September 30, 2019	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 1,041,346	$ 726,931	$ 653,908	$ 91,246	$ 84,134	$ 2,597,565
Timing of revenue recognition						
At a point in time	$ 1,041,346	$ -	$ -	$ -	$ -	$ 1,041,346
Over time	-	726,931	653,908	91,246	84,134	1,556,219
	$ 1,041,346	$ 726,931	$ 653,908	$ 91,246	$ 84,134	$ 2,597,565

Three months ended September 30, 2018	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 1,148,497	$ 362,531	$ 629,604	$ 82,252	$ 139,555	$ 2,362,439
Timing of revenue recognition						
At a point in time	$ 1,148,497	$ -	$ -	$ -	$ -	$ 1,148,497
Over time	-	362,531	629,604	82,252	139,555	1,213,942
	$ 1,148,497	$ 362,531	$ 629,604	$ 82,252	$ 139,555	$ 2,362,439

Nine months ended September 30, 2019	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 3,816,365	$ 2,175,996	$ 1,889,664	$ 281,079	$ 283,541	$ 8,446,645
Timing of revenue recognition						
At a point in time	$ 3,816,365	$ -	$ -	$ -	$ -	$ 3,816,365
Over time	-	2,175,996	1,889,664	281,079	283,541	4,630,280
	$ 3,816,365	$ 2,175,996	$ 1,889,664	$ 281,079	$ 283,541	$ 8,446,645

Nine months ended September 30, 2018	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 2,666,730	$ 870,473	$ 1,853,667	$ 268,193	$ 416,771	$ 6,075,834
Timing of revenue recognition						
At a point in time	$ 2,666,730	$ -	$ -	$ -	$ -	$ 2,666,730
Over time	-	870,473	1,853,667	268,193	416,771	3,409,104
	$ 2,666,730	$ 870,473	$ 1,853,667	$ 268,193	$ 416,771	$ 6,075,834

B. Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of September 30, 2109, December 31, 2018 and September 30, 2018 are as follows:

	Year expected to recognise revenue	Contracted amount
September 30, 2019	2019~2021	$ 5,063,391
December 31, 2018	2019~2021	5,338,255
September 30, 2018	2018~2021	4,740,361

C. Contract assets and liabilities

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

	September 30, 2019	December 31, 2018	September 30, 2018	January 1, 2018
Contract assets:				
Contract assets - construction contracts	$ 685,470	$ 616,853	$ 407,241	$ 370,577
Contract liabilites:				
Contract liabilities - buildings and land sales contracts	$ 419,854	$ 601,715	$ 1,042,572	$ 1,014,918
Contract liabilities - construction contracts	144,387	168,170	14,471	10,202
Contract liabilities - Hotel operation contracts	137,305	141,034	115,124	132,090
Contract liabilities - BOT business	66,517	50,105	60,313	45,829
	$ 768,063	$ 961,024	$ 1,232,480	$ 1,203,039

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

	Three months ended September 30,			
	2019		2018	
Revenue recognised that was included in the contract liability balance at the beginning of the period				
Building and land sales contracts	$	9,930	$	9,440
Hotel operation contracts		34		24
	$	9,964	$	9,464

	Nine months ended September 30,			
	2019		2018	
Revenue recognised that was included in the contract liability balance at the beginning of the period				
Building and land sales contracts	$	338,810	$	338,488
Construction contracts		168,170		10,202
Hotel operation contracts		139,824		130,806
BOT business		50,105		45,829
	$	696,909	$	525,325

(26) Other income

	Three months ended September 30,			
	2019		2018	
Interest income	$	5,056	$	1,959
Dividend income		101,264		88,108
Indemnity income		20,301		-
Income from confiscated guarantee due to a default		5,316		1,524
Other income		44,093		17,994
	$	176,030	$	109,585

	Nine months ended September 30,			
	2019		2018	
Interest income	$	9,395	$	6,663
Dividend income		101,300		143,128
Indemnity income		20,301		5,013
Income from confiscated guarantee due to a default		38,546		5,386
Other income		81,296		53,303
	$	250,838	$	213,493

(27) Other gains and losses

	Three months ended September 30, 2019	Three months ended September 30, 2018
Net (loss) gain on financial assets at fair value through profit or loss	($ 61,526)	$ 31,257
Payables transferred to other income	33,626	38,396
Net currency exchange gain	116	1,342
Others	1,869	(4,023)
	($ 25,915)	$ 66,972

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net gain on financial assets at fair value through profit or loss	$ 49,597	$ 93,883
Payables transferred to other income	68,368	103,348
Net currency exchange gain	358	13,126
Others	(6,983)	(8,449)
	$ 111,340	$ 201,908

(28) Finance costs

	Three months ended September 30, 2019	Three months ended September 30, 2018
Interest expense:		
Bank borrowings	$ 40,630	$ 36,655
Lease liability	24,838	-
Commercial paper	4,742	4,462
Ordinary bonds	11,563	20,510
Others	139	202
Other finance expenses	300	300
	$ 82,212	$ 62,129

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Interest expense:		
Bank borrowings	$ 121,601	$ 111,752
Lease liability	75,597	-
Commercial paper	12,325	10,958
Ordinary bonds	32,158	31,130
Others	1,195	1,315
Other finance expenses	900	900
	$ 243,776	$ 156,055

(29) Expenses by nature

	Three months ended September 30, 2019		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 159,883	$ 148,330	$ 308,213
Labor and health insurance fees	15,904	14,027	29,931
Pension costs	7,795	7,453	15,248
Directors' remuneration	-	10,437	10,437
Other employee benefit expense	6,669	5,768	12,437
	$ 190,251	$ 186,015	$ 376,266
Depreciation charges	$ 21,133	$ 161,028	$ 182,161
Amortization charges	$ 15,313	$ 208	$ 15,521

	Three months ended September 30, 2018		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 161,159	$ 145,273	$ 306,432
Labor and health insurance fees	18,649	16,160	34,809
Pension costs	9,530	7,252	16,782
Directors' remuneration	-	10,747	10,747
Other employee benefit expense	2,265	6,688	8,953
	$ 191,603	$ 186,120	$ 377,723
Depreciation charges	$ 21,129	$ 64,465	$ 85,594
Amortization charges	$ 15,313	$ 238	$ 15,551

	Nine months ended September 30, 2019		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 511,751	$ 440,015	$ 951,766
Labor and health insurance fees	42,581	40,514	83,095
Pension costs	21,390	20,460	41,850
Directors' remuneration	-	33,958	33,958
Other employee benefit expense	17,452	16,309	33,761
	$ 593,174	$ 551,256	$ 1,144,430
Depreciation charges	$ 63,549	$ 483,871	$ 547,420
Amortization charges	$ 45,939	$ 526	$ 46,465

	Nine months ended September 30, 2018		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 484,271	$ 427,303	$ 911,574
Labor and health insurance fees	55,896	42,512	98,408
Pension costs	28,401	21,329	49,730
Directors' remuneration	-	31,450	31,450
Other employee benefit expense	7,155	19,939	27,094
	$ 575,723	$ 542,533	$ 1,118,256
Depreciation charges	$ 63,195	$ 193,984	$ 257,179
Amortization charges	$ 45,939	$ 838	$ 46,777

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

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

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

B. For the three months and nine months ended September 30, 2019 and 2018, employees' compensation was accrued at $24,047, $26,402, $86,144 and $76,926, respectively; while directors' remuneration was accrued at $8,181, $8,982, $29,307 and $26,171, respectively. The aforementioned amounts were recognised in salary expenses.

   The employees' compensation and directors' remuneration were accrued based on the percentage as prescribed in the Company's Articles of Incorporation and distributable profit of current period for the nine months ended September 30, 2019.

   Employees' compensation and directors' remuneration of 2018 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2018 financial statements.

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

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30, 2019	Three months ended September 30, 2018
Current tax:		
Current tax on profits for the period	$ 8,583	$ 5,715
Land value increment tax recognised in income tax for the period	11,339	11,107
Total current tax	19,922	16,822
Deferred tax:		
Origination and reversal of temporary differences	11,386	2,703
Loss deduction	(12,649)	(2,998)
Total deferred tax	(1,263)	(295)
Income tax expense	$ 18,659	$ 16,527

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Current tax:		
Current tax on profits for the period	$ 33,899	$ 28,783
Tax on undistributed surplus earnings	3,671	8,959
Under provision of prior year's income tax	3,537	26
Land value increment tax recognised in income tax for the period	44,825	37,070
Total current tax	85,932	74,838
Deferred tax:		
Origination and reversal of temporary differences	12,183	4,054
Loss deduction	(20,957)	(7,367)
Impact of change in tax rate	-	(21,800)
Total deferred tax	(8,774)	(25,113)
Income tax expense	$ 77,158	$ 49,725

B. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

C. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(31) Earnings per share

	Three months ended September 30, 2019		
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	$ 228,529	1,622,671	$ 0.14
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 228,529	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,186	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 228,529	1,624,857	$ 0.14

	Three months ended September 30, 2018		
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	$ 254,035	1,622,671	$ 0.16
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 254,035	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,422	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 254,035	1,625,093	$ 0.16

Basic earnings per share	Nine months ended September 30, 2019 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	$ 816,612	1,622,671	$ 0.50
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 816,612	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	11,291	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 816,612	1,633,962	$ 0.50

Basic earnings per share	Nine months ended September 30, 2018 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	$ 733,752	1,622,671	$ 0.45
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 733,752	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	10,121	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 733,752	1,632,792	$ 0.45

(32) Operating leases

Prior to 2019

The Company leases office, cafeterias and vehicles 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 recognised rental expense of $105,152 and $315,456 for the three months and nine months ended September 30, 2018. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2018	September 30, 2018
Not later than one year	$ 473,589	$ 470,845
Later than one year but not later than five years	2,162,999	1,820,260
Later than five years	8,096,788	5,358,102
	$ 10,733,376	$ 7,649,207

(33) Supplemental cash flow information

Investing and financing activities with no cash flow effects:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Inventories transferred to property, plant and equipment	$ -	$ 237
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	$ 183	$ 2,722
Investment properties tranferred to real estate held for sale	$ -	$ 1,821
Intangible assets transferred to other non-current assets	$ 79	$ -

(34) Changes in liabilities from financing activities

	January 1, 2019	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	September 30, 2019
Short-term borrowings	$ 990,000	$ 995,000	$ -	$ 1,985,000
Short-term notes and bills payable	401,734	(321,761)	-	79,973
Long-term borrowings	13,442,654	(299,795)	-	13,142,859
Long-term notes and accounts payable	721,633	86,668	-	808,301
Guarantee deposits received	136,162	24,612	-	160,774
Lease liability	6,644,842	(275,949)	2,016	6,370,909
Liabilities from financing activities - gross	$ 22,337,025	$ 208,775	$ 2,016	$ 22,547,816

	January 1, 2019	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	September 30, 2018
Short-term borrowings	$ 860,000	$ 490,000	$ -	$ 1,350,000
Short-term notes and bills payable	1,055,558	(254,249)	-	801,309
Bonds payable	4,500,000	2,500,000		7,000,000
Long-term borrowings	12,784,475	1,181,200	-	13,965,675
Long-term notes and accounts payable	744,346	13,111	-	757,457
Guarantee deposits received	136,198	8,607	-	144,805
Liabilities from financing activities - gross	$ 20,080,577	$ 3,938,669	$ -	$ 24,019,246

Note: Changes in other non-cash items arose from the additions and disposals to lease liabilities.

7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Group
Uni-President Development Corp.	Associate
Ming-Da Enterprise Co., Ltd.	Associate
President International Development Corp.	Associate
Tone Sang Construction Corp.	Other related party
Tainan Spinning Co., Ltd. (Note)	Other related party
President Chain Store Corp.	Other related party
C-maan Health Limited Company	Other related party
Man Strong Manpower MGT Co., Ltd.	Other related party

Note: It is no longer a related party after the re-election of directors of the Company on June 21, 2019.

(2) Significant related party transactions and balances

A. Sales of goods:

(a)

	Three months ended September 30,	
	2019	2018
Construction subcontracting:		
—Other related parties	$ 6,843	$ 88,225

	Nine months ended September 30,	
	2019	2018
Construction subcontracting:		
—Other related parties	$ 456,068	$ 142,836

The contract prices of construction for related parties are based on expected construction cost plus reasonable management expenses and profit, and are determined based on mutual agreements. The construction payments are collected based on the contract terms. As of September 30, 2019, December 31, 2018 and September 30, 2018, the status of the construction of the related parties undertaken by the Group was as follows:

	September 30, 2019	December 31, 2018	September 30, 2018
Tainan Spinning Co., Ltd.:			
Total amount of construction contracts that were signed but had not been settled yet	$ -	$ 2,140,004	$ 2,140,004
Construction payments received	-	(277,916)	(144,431)
Construction payments receivable	$ -	$ 1,862,088	$ 1,995,573

	September 30, 2019	December 31, 2018	September 30, 2018
Others related parties:			
Total amount of construction contracts that were signed but had not been settled yet	$ 248,979	$ 239,850	$ 240,764
Construction payments received	(248,979)	(215,425)	(215,938)
Construction payments receivable	$ -	$ 24,425	$ 24,826

(b)

	Three months ended September 30,	
Rental income:	2019	2018
－President Chain Store Corp.	$ 13,266	$ 12,187
－Other related parties	4,100	5,102
	$ 17,366	$ 17,289

	Nine months ended September 30,	
Rental income:	2019	2018
－President Chain Store Corp.	$ 38,192	$ 37,627
－Other related parties	12,341	11,646
	$ 50,533	$ 49,273

Rent is determined by mutual agreements and is collected monthly.

B. Accounts receivable

	September 30, 2019	December 31, 2018	September 30, 2018
Accounts receivable - related parties:			
－Other related parties	$ 27,645	$ 27,793	$ 22,262

C. Lease transactions - lessee

(a)

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

ii. The Group leases office from the associate. These leases have terms expiring between 2018 and 2023, and all these lease agreements are renewable at the end of the lease period.

iii. The Group leases office from the other related parties. These leases have terms expiring between 2015 and 2035, and all these lease agreements are not renewable at the end of the lease period.

(b) Acquisition of right-of-use assets:

For the nine months ended September 30, 2019, there was no 'right-of-use asset' held by the Group. Due to the Group has elected to apply IFRS 16, 'right-of-use asset' was increased on January 1, 2019 as follows:

Uni-President Development Corp.	$	5,757,210
Other related parties		113,916
Associates		105,352
	$	5,976,478

(c) Depreciation expense - right-of-use assets and rent expense

	Three months ended September 30,			
	2019		2018	
Depreciation expense - right-of-use assets:				
Uni-President Development Corp.	$	83,843	$	-
Associates		6,078		-
		89,921		-
Rent expense :				
Uni-President Development Corp.	$	12,464	$	98,058
Other related parties		-		1,173
	$	12,464	$	99,231

	Nine months ended September 30,			
	2019		2018	
Depreciation expense - right-of-use assets:				
Uni-President Development Corp.	$	251,529	$	-
Associates		18,234		-
Other related parties		4,505		-
		274,268		-
Rent expense				
Uni-President Development Corp.	$	46,466	$	322,224
Other related parties		-		4,620
	$	46,466	$	326,844

(d) Rents payable

	September 30, 2019		December 31, 2018		September 30, 2018	
Other payables:						
Uni-President Development Corp.	$	46,498	$	85,953	$	50,503
Long-term notes and accounts payable:						
Uni-President Development	$	-	$	551,632	$	556,656

(e) Lease liabilities

i. Outstanding balance:

		September 30, 2019
Lease liabilities - current:		
Uni-President Development Corp.	$	317,322
Associates		24,059
	$	341,381
Lease liabilities - non-current:		
Uni-President Development Corp.	$	5,777,172
Associates		63,595
	$	5,840,767

ii. Interest expense:

		Three months ended September 30, 2019		Nine months ended September 30, 2019
Interest expense:				
Uni-President Development Corp.	$	23,359	$	70,967
Associates		506		1,616
Other related parties		-		1,088
	$	23,865	$	73,671

D. Others:

		September 30, 2019		December 31, 2018		September 30, 2018
Refundable deposits:						
Uni-President Development Corp.	$	67,961	$	67,396	$	67,396

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 subsidiaries' short-term borrowings of the Group were guaranteed by the subsidiaries' Chairman.

(3) Key management compensation

	Three months ended September 30, 2019	Three months ended September 30, 2018
Salaries and other short-term employee benefits	$ 6,548	$ 45,667
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 6,548	$ 45,667

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Salaries and other short-term employee benefits	$ 54,852	$ 76,164
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 54,852	$ 76,164

8. PLEDGED ASSETS

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

Pledged asset	September 30, 2019	December 31, 2018	September 30, 2018	Purpose
Time deposits, demand deposits and checking deposits (shown as 'other financial assets - current' and 'other financial assets - non-current')	$ 1,422,224	$ 1,502,297	$ 4,144,392	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' gift coupons trust account and sinking funds
Financial assets at fair value through profit or loss	392,222	356,906	372,313	Construction performance guarantees, short-term and long-term borrowings
Land held for construction site	4,595,666	4,578,217	4,869,630	Short-term borrowings, notes and bills payable and long-term borrowings
Construction in progress	3,905,980	3,960,061	3,506,689	Short-term borrowings, notes and bills payable and long-term borrowings
Financial assets at fair value through other comprehensive income	1,108,537	1,096,674	1,210,123	Short-term borrowings, notes and bills payable
Investments accounted for under equity method	1,126,691	1,321,365	1,305,092	Short-term borrowings, notes and bills payable
Land	2,718,252	2,718,252	2,718,252	Construction performance guarantees, short-term and notes and bills payable and long-term borrowings
Buildings and structures	1,837,181	1,878,868	1,892,764	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	3,923,673	3,947,261	3,955,662	Construction performance guarantees, short-term and notes and bills payable and long-term borrowings
	$ 21,030,426	$ 21,359,901	$ 23,974,917	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED 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:

Name of company	September 30, 2019 Total endorsement amount	Amount drawn	December 31, 2018 Total endorsement amount	Amount drawn	September 30, 2018 Total endorsement amount	Amount drawn
The Splendor Hotel Taichung (Note)	$ 1,900,000	$1,900,000	$ 1,900,000	$1,900,000	$ 3,650,000	$3,551,363
Prince Real Estate Co., Ltd.	-	-	-	-	2,500,000	258,000
	$ 1,900,000	$1,900,000	$ 1,900,000	$1,900,000	$ 6,150,000	$3,809,363

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

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

Name of company	September 30, 2019 Total endorsement amount	Amount drawn	December 31, 2018 Total endorsement amount	Amount drawn	September 30, 2018 Total endorsement amount	Amount drawn
Prince Real Estate Co., Ltd.	$ 2,055,309	$2,055,309	$ 1,255,309	$1,255,309	$ 2,500,000	$1,513,309
Ta-Chen Construction & Engineering Corp.	-	-	-	-	927,889	-
Prince Utility Co., Ltd.	-	-	-	-	900,000	638,763
	$ 2,055,309	$2,055,309	$ 1,255,309	$1,255,309	$ 4,327,889	$2,152,072

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

Name of subsidiaries	Subsidiaries being endorsed/guaranteed	September 30, 2019 Total endorsement amount	Amount drawn	December 31, 2018 Total endorsement amount	Amount drawn	September 30, 2018 Total endorsement amount	Amount drawn
Prince Apartment Management Maintain Co., Ltd.	Prince Security Co., Ltd.	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Prince Property Management Consulting Co., Ltd.	Prince Security Co., Ltd.	-	-	56,000	-	56,000	-
		$ 20,000	$ 20,000	$ 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 its current assets. The Company was committed to give the Splendor Hotel 50% of funds needed for its continuing operations.

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

	September 30, 2019	December 31, 2018	September 30, 2018
Property, plant and equipment	$ 3,501	$ 6,815	$ 12,679

(3) Operating lease agreements:

Please refer to Note 6 (32) 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 September 30, 2019, December 31, 2018, and September 30, 2018, A party had provided performance guarantee with a guarantee letter issued by the bank, all amounting to $30,000.

C. A party should pay B party land rentals from the registration of the superficies, according to the terms of the contract, and pay B party operating royalties from the third year of the operation, based on the specified proportion of dormitory rentals and use fees of other facilities collected from students.

D. Terms of restrictions for A party:

(a) The ratio of A party's own capital utilized in this project to total construction cost of this project should be at least 30%;

(b) During the operation period, the ratio of shareholders' equity to total assets should be at least 25%; and current ratio (current assets/current liabilities) should be at least 100%;

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

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

A. Under the contract, B party should be responsible for acquiring the ownership or land-use right for this project, and let A party use the land by way of registration of the superficies; A party must obtain the user license within 3 years after the signing date, and may operate the dormitories and motorcycle parking lots for 35 years from the start of operation and collect dormitory rentals and use fees of other facilities from students for 50 years from the start of construction, and should return the related assets to B party on the expiry of the contract.

B. A party should give B party performance guarantee of $50,000 for this project on the signing date, which will be returned in installment according to the contractual terms. As of September 30, 2019, December 31, 2018, and September 30, 2018, 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 the specified proportion of annual operating revenue of the dormitories and auxiliary facilities operating royalties based on the specified proportion of annual operating revenue of the auxiliary facilities. A party should pay such operating royalties for prior year before the end of September 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 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.

(10)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 provided medium-term guarantee payments receivable (secured) with a credit line of $2.545 billion which are used by 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 by 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, the banks' guarantee responsibility will be released after the debtor returns the payables to the agency. This syndicated loan contract expired on November 21, 2018.

(11) The Company signed a syndicated loan contract with 4 financial institutions – Bank of Taiwan Co., Ltd. as the lead bank for a credit line of $3.221 billion. The syndicated loans include medium-term guarantee payments receivable (secured) and medium-term commercial paper guarantees. Bank of Taiwan and Agricultural Bank of Taiwan provided medium-term guarantee payments receivable (secured) with a credit line of $2.021 billion which are used by the Company to apply for the guarantee of corporate bond issued by the bank and pay off 2012 1st secured ordinary bonds payable. China Bills Finance Corp, Mega Bills Finance Corp and Taiwan Cooperative Finance Cop. provides medium-term commercial paper guarantees with a credit line of $1.2 billion which are used by the Company to apply for the guarantee of commercial paper guarantees and enrich operational working capital. 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, the banks' guarantee responsibility will be released after the debtor returns the payables to the agency.

(12) The Company signed a syndicated loan contract with 2 financial institutions – Bank of Taiwan Co., Ltd. as the lead bank for a credit line of $3.121 billion. The syndicated loans include medium-term guarantee payments receivable (secured) and medium-term commercial paper guarantees. Bank of Taiwan and Agricultural Bank of Taiwan provided medium-term guarantee payments receivable

(secured) with a credit line of $2.521 billion which are used by the Company to apply for the guarantee of corporate bond issued by the bank and pay off 2013 1st secured ordinary bonds payable. International Bills Finance Corp provides medium-term commercial paper guarantees with a credit line of $600 million which are used by the Company to apply for the guarantee of commercial paper guarantees and enrich operational working capital. 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, the banks' guarantee responsibility will be released after the debtor returns the payables to the agency.

(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:

	September 30, 2019	December 31, 2018	September 30, 2018
Taichung City Koan An Section No. 591-1	$ -	$ -	$ 63,880
Nanzi Dist., Kaohsiung City Nanzi 1st Section No. 158 etc	$ 125,540	$ 125,540	$ 125,540

(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 September 30, 2019, December 31, 2018, and September 30, 2018, balance of the performance bonds were as follows:

	September 30, 2019	December 31, 2018	September 30, 2018
No. 602, Sec. Zhi-Shan 1, Shilin District, Taipei City	$ 13,586	$ 87,500	$ 198,116
No. 572, Sec. Zhi-Shan 1, Shilin District, Taipei City	$ 4,893	$ 4,893	$ 19,570

(15)As of September, 30, 2019, December 31, 2018 and September 30, 2018, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta-Chen Construction & Engineering Corp., amounted to, $256,189, $399,589 and $420,638, respectively.

(16)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.

(17)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 billion, 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. The syndicated loan contract expired on October 15, 2018.

(18) On October 3, 2018, the subsidiary, the Splendor Hotel Taichung, signed two syndicated loan contracts with 7 financial institutions, including Taiwan Cooperative Bank and Bank SinoPac, etc., each amounting to $1.65 billion and totaling $3.3 billion, with Prince Housing & Development Corp. and China Metal Products Co., Ltd. as guarantors, respectively. Under the contract, the subsidiary promised its tangible equity (equity less intangible assets) shall not be negative and current ratio, liability ratio, tangible net equity and interest coverage of Prince Housing & Development Corp. and China Metal Products Co., Ltd. shall conform to certain criteria as specified in the contract. If the Splendor Hotel Taichung violates above financial commitments, the managing bank has the right to take the following actions, including but not limited, according to the contract or the resolution of majority of the consortium: 1) request the subsidiary to stop drawing down all or part of the loans;

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 SUBSEQUENT EVENTS

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. Financial instruments by category

	September 30, 2019	December 31, 2018	September 30, 2018
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 1,882,638	$ 1,603,175	$ 1,371,542
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	1,818,532	1,792,162	1,878,759
Financial assets at amortised cost			
Cash and cash equivalents	5,379,658	3,968,253	3,569,611
Notes receivable	96,111	72,170	251,903
Accounts receivable (including related parties)	454,080	1,743,066	695,604
Other receivables	37,815	99,502	138,173
Refundable deposits	124,833	255,028	476,868
Other financial assets	2,338,022	2,092,531	4,726,260
	$ 12,131,689	$ 11,625,887	$ 13,108,720

		September 30, 2019		December 31, 2018		September 30, 2018
Financial liabilities						
Financial liabilities at amortised cost						
Short-term borrowings	$	1,985,000	$	990,000	$	1,350,000
Short-term notes and bills payable		79,973		401,734		801,309
Notes payable		6,358		4,885		4,389
Accounts payable		1,754,463		2,804,917		1,994,688
Other payables (including related parties)		965,681		1,169,566		974,298
Corporate bonds payable (including current portion)		4,500,000		4,500,000		7,000,000
Long-term borrowings (including current portion)		13,142,859		13,442,654		13,965,675
Long-term notes and accounts payable (including current portion)		808,301		1,273,265		1,314,113
Guarantee deposits received		160,774		136,162		144,805
	$	23,403,409	$	24,723,183	$	27,549,277
Lease liabilities	$	6,370,909	$	-	$	-

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group's finance & accounting division) under policies approved by the Board of Directors. Group's finance & accounting division evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as 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 New Taiwan dollars and United States dollars. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. Management has set up a policy to require the Group entities to manage their foreign exchange risk against their functional currency. The entities are required to manage their entire foreign exchange risk exposure with the Group finance & accounting division. Foreign exchange risk does not have significant impact to the Group.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. Shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the nine months ended September 30, 2019 and 2018 would have increased/decreased by $172,201 and $124,114, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $100,330 and $100,435, respectively, as a result of equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk mainly arose from short-term and long-term borrowings (excluding commercial papers) issued at variable rates and exposed the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at floating rate were calculated by New Taiwan dollars, if interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, profit before tax for the nine months ended September 30, 2019 and 2018 would have been $14,057 and $14,357 lower/higher, respectively.

(b) Credit risk

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

Accounts receivable and contract assets

i. The Group will perform credit check in accordance with credit policies when entered into construction contracts, the credit risk of receivables (mainly contract assets or accounts receivable) are low as the result of credit check was low.

ii. The Group's accounts receivable and contract assets came from general enterprise or government institution. To protect the quality of accounts receivable and contract assets, the Group has created process of credit risk management. The Group considered customers' financial status, historical trading record and future economic condition in accordance with types of customer, and took into account factors that may influence customers' ability to pay to assess the credit quality of customers. The Group estimated credit loss by loss rate.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adjusted the provision matrix with the historical loss of accounts receivable and forecastability, which considered the economic condition in the next one year. The provision matrix in accordance with above estimation are as follows:

	Without past due	Up to 30 days past due	Over 31-60 days	Over 61-90 days	Over 91 days	Total
September 30, 2019						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	$ 453,032	$ -	$ -	$ -	$ 5,485	$ 458,517
Loss allowance	-	-	-	-	4,437	4,437
December 31, 2018						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	$ 1,737,372	$ 5,086	$ 33	$ -	$ 5,075	$ 1,747,566
Loss allowance	-	-	-	-	4,500	4,500
September 30, 2018						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	$ 694,449	$ -	$ -	$ -	$ 5,666	$ 700,115
Loss allowance	-	-	-	-	4,511	4,511

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

	2019	2018
	Accounts receivable	Accounts receivable
At January 1	$ 4,500	$ 4,621
Provision for impairment loss	29	-
Reversal of impairment loss	(63)	(110)
Derecognised	(29)	-
At September 30	$ 4,437	$ 4,511

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

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

(c) Liquidity risk

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

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

	September 30, 2019		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 2,010,138	$ -	$ -
Short-term notes and bills payable	80,000	-	-
Notes payable	6,310	28	20
Accounts payable	842,272	910,767	1,424
Other payables (including related parties)	957,260	8,332	89
Lease liability	377,637	760,560	5,260,559
Guarantee deposits received	154,310	6,398	66
Bonds payable (including current portion)	42,000	2,084,000	2,521,000
Long-term borrowings (including current portion)	4,412,920	5,446,953	4,164,013
Long-term notes and accounts payable (including related parties)	-	796,845	11,456

	December 31, 2018		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 995,964	$ -	$ -
Short-term notes and bills payable	401,900	-	-
Notes payable	4,837	41	7
Accounts payable	1,541,191	1,262,237	1,489
Other payables (including related parties)	1,160,945	7,695	926
Guarantee deposits received	99,335	4,428	32,399
Bonds payable (including current portion)	42,000	84,000	4,542,000
Long-term borrowings (including current portion)	3,743,439	6,168,482	4,248,341
Long-term notes and accounts payable (including related parties)	-	1,261,809	11,456

	September 30, 2018		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 1,360,175	$ -	$ -
Short-term notes and bills payable	801,900	-	-
Notes payable	4,341	41	7
Accounts payable	1,049,974	943,226	1,488
Other payables (including related parties)	964,370	9,002	926
Guarantee deposits received	98,198	14,208	32,399
Bonds payable (including current portion)	2,580,750	84,000	4,542,000
Long-term borrowings (including current portion)	6,776,154	6,490,828	1,461,196
Long-term notes and accounts payable (including related parties)	-	1,302,657	11,456

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

(3) Fair value information

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

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

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

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

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

C. Financial instruments not measured at fair value

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

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2019, December 31, 2018 and September 30, 2018 are as follows:

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

September 30, 2019	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,882,638	$ -	$ -	$ 1,882,638
Financial assets at fair value through other comprehensive income				
Equity securities	826,912	-	991,620	1,818,532
	$ 2,709,550	$ -	$ 991,620	$ 3,701,170

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,603,175	$ -	$ -	$ 1,603,175
Financial assets at fair value through other comprehensive income				
Equity securities	804,727	-	987,435	1,792,162
	$ 2,407,902	$ -	$ 987,435	$ 3,395,337

September 30, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,371,542	$ -	$ -	$ 1,371,542
Financial assets at fair value through other comprehensive income				
Equity securities	961,638	-	917,121	1,878,759
	$ 2,333,180	$ -	$ 917,121	$ 3,250,301

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

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

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

E. For the nine months ended September 30, 2019 and 2018, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the nine months ended September 30, 2019 and 2018:

	2019	2018
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	$ 987,435	$ 105,285
Adjustment due to transfer of standard	-	880,641
Gain recognised in other comprehensive income (loss) (Note)	4,185	(67,555)
Sold in the period	-	(967)
Effect of exchange rate changes	-	(283)
At September 30	$ 991,620	$ 917,121

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

G. For the nine months ended September 30, 2019 and 2018, there was no transfer into or out from Level 3.

H. Finance and Accounting segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently assessing valuation results and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 991,620	Discounted cash flow	Weighted average cost of capital	0.69%~ 2.41%	The higher the weighted average cost of capital, the lower the fair value
			Discount for 30% lack of marketability	30%	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 987,435	Discounted cash flow	Weighted average cost of capital	0.60%~ 2.41%	The higher the weighted average cost of capital, the lower the fair value
			Discount for 30% lack of marketability	30%	The higher the net asset value, the higher the fair value

	Fair value at September 30, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 917,121	Discounted cash flow	Weighted average cost of capital	0.56%~ 2.50%	The higher the weighted average cost of capital, the lower the fair value
			Discount for 30% lack of marketability	30%	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. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			September 30, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	888,151	±1%	$ -	$ -	$ 8,882	($ 8,882)

			December 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	888,151	±1%	$ -	$ -	$ 8,882	($ 8,882)

			September 30, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	888,170	±1%	$ -	$ -	$ 8,882	($ 8,882)

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:None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

(3) Information on investments in Mainland China

None.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

(3) Information about segment profit or loss and assets

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

	Nine months ended September 30, 2019				
Item	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 5,992,361	$ 2,327,449	$ 462,010	$ -	$ 8,781,820
Internal operating revenue-net	255,898	-	49,648	(305,546)	-
Total segment revenue	6,248,259	2,327,449	511,658		8,781,820
Costs and expenses	(6,070,645)	(1,993,631)	(344,015)	339,635	(8,068,656)
Segment income	177,614	333,818	167,643		713,164
Other income	250,805	4,382	10,125	(14,474)	250,838
Other gains and losses	111,401	496	(557)	-	111,340
Finance costs	(137,802)	(117,256)	(223)	11,505	(243,776)
Share of profit of associates and joint ventures accounted for under equity method	514,894	-	22,838	(491,982)	45,750
Profit from continuing operations before tax	916,912	221,440	199,826		877,316
Income tax expense	(55,649)	(21,467)	(42)	-	(77,158)
Net income for the period	$ 861,263	$ 199,973	$ 199,784		$ 800,158
Segment assets	$ 46,353,037	$ 13,100,190	$ 896,259	(5,028,705)	$ 55,320,781

Item	Nine months ended September 30, 2019				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 3,537,204	$ 2,271,464	$ 609,195	$ -	$ 6,417,863
Internal operating revenue-net	756,637	-	44,901	(801,538)	-
Total segment revenue	4,293,841	2,271,464	654,096		6,417,863
Costs and expenses	(4,238,281)	(1,994,412)	(479,664)	794,858	(5,917,499)
Segment income	55,560	277,052	174,432		500,364
Other income	198,494	10,035	25,614	(20,650)	213,493
Other gains and losses	202,001	23	(116)	-	201,908
Finance costs	(128,231)	(43,413)	(121)	15,710	(156,055)
Share of profit of associates and joint ventures accounted for under equity method	450,304	-	4,353	(441,540)	13,117
Profit from continuing operations before tax	778,128	243,697	204,162		772,827
Income tax expense	(42,869)	(6,752)	(104)	-	(49,725)
Net income for the period	$ 735,259	$ 236,945	$ 204,058		$ 723,102
Segment assets	$ 50,089,068	$ 7,230,493	$ 1,036,250	(4,959,561)	$ 53,396,250

(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 year is provided in Note 14(3).

Prince Housing & Development Corp.
Loans to others
Nine months ended September 30, 2019

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 nine months ended September 30, 2019	Balance at September 30, 2019	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
1	Ta-Chen Construction& Engineering Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	$ 200,000	$ 100,000	$ 100,000	2.7	Short-term financing	$ -	Additional operating capital	$ -	None	-	$ 457,067 (Note 3)	$ 457,067	Note 2
2	Time Square International Co., Ltd.	Times Square International Investment Holdings Co., Ltd.	Other receivables - related parties	Y	1,000	1,000	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	174,830	174,830	Note 4
3	Cheng-Shi Construction Co., Ltd.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	90,000	90,000	90,000	2.7	Short-term financing	-	Additional operating capital	-	None	-	92,437	92,437	Note 5
4	Prince Utility Co., Ltd.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	20,000	-	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	25,520	25,520	Note 6

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Ta-chen Construction & Engineering Corp. "Procedures for Provision of Loans" are as follows:
A. Ceiling on total loans to others: 40% of the Company's net worth.
B. Limit on loans to a single party:
(a) Nature of the loan is related to business transactions: Limit to a single party is NT$1.0 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 as prescribed in Ta-Chen Construction & Engineering Corp.'s "Procedures for Provision of Loans" are not allowed more than NT$500 million. However, limit on loans granted to a single party shall not excess the ceiling on total loans, therefore, Ta-Chen Construction & Engineering Corp.'s limit on loans granted to a single party is based on its ceiling on total loans.

Note 4: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Time Square International Co., Ltd. "Procedures for Provision of Loans" are as follows:
A. Ceiling 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: 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 Companys net worth.

Note 5: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Cheng-Shi Construction Co., Ltd. "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: 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 40% of the Company's net worth.

Note 6: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in Prince Utility Co., Ltd. "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: 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 40% of the Company's net worth.

Prince Housing & Development Corp.

Provision of endorsements and guarantees to others

Nine months ended September 30, 2019

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 September 30, 2019	Outstanding endorsement/ guarantee amount at September 30, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung	6	$ 4,732,487	$ 1,900,000	$ 1,900,000	$ 1,900,000	$ -	8%	$ 11,831,218	Y	N	N	Note 3
1	Prince Real Estate Co., Ltd.	Prince Housing & Development Corp.	3	2,500,000	2,055,309	2,055,309	2,055,309	-	169%	5,000,000	N	Y	N	Note 4
2	Prince Apartment Management Maintain Co., Ltd.	Prince Security Co., Ltd.	4	20,000	20,000	20,000	20,000	-	27%	50,000	N	N	N	Note 5
3	Prince Property Management Consulting Co., Ltd.	Prince Security Co., Ltd.	4	56,000	56,000	-	-	-	0%	120,000	N	N	N	Note 6

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

(1) The Company is '0'.

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

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

(1) Having business relationship.

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

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

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

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

Note 4: 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 5: 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 6: 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.

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

September 30, 2019

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 September 30, 2019 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Prince Housing & Development Corp.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	7,564,988	$ 236,784	Note 1	$ 31.30	Listed company, Note 2
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	561,821	Note 1	23.80	Listed company, Note 3
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	19,851	Note 1	260.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	13,034	Note 1	9.31	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	857	Note 1	17.60	
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	344,488	1,295	Note 1	3.76	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,648,563	57,997	Note 1	35.18	
	Stock	Southern Science Joint Development .	None	Non-current financial assets at fair value through other comprehensive income	10,000	1,228	10.00	122.77	
	Stock	Formosoft International Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	7,117	-	Note 1	-	
	Stock	President Energy Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	300,000	9,471	6.00	31.57	
	Stock	President International Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	87,745,770	832,707	6.63	9.49	Note 4
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	79,222	-	12.57	Note 5
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	6,006,728	100,638	-	16.75	
	Fund	Yuanta Wan Tai Money Market	None	Financial assets at fair value through profit or loss - current	13,316,728	202,187	-	15.18	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	6,775,756	100,656	-	14.86	
	Fund	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	8,143,527	131,720	-	16.17	
	Fund	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,269,203	200,568	-	16.35	
Ta-Chen Construction & Engineering Corp.	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - current	13,327,483	417,150	Note 1	31.30	Note 6
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	349,990	1,316	Note 1	3.76	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,848,857	65,043	5.40	35.18	
Prince Apartment Management Maintain Co., Ltd.	Stock	Prince Housing & Development Corp.	Parent company	Non-current financial assets at fair value through other comprehensive income	655,424	6,685	Note 1	11.00	Listed company
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	1,460	Note 1	11.25	Listed company
Prince Security Co., Ltd.	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	246,513	8,672	Note 1	35.18	
Cheng-shi Construction Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	10,217,642	170,487	-	16.75	
Time Square International Co., Ltd.	Fund	FSITC Money Market	None	Financial assets at fair value through profit or loss - current	168,148	30,000	-	178.86	
	Fund	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,205,234	30,000	-	13.64	
	Fund	Taishin 1699 Money Market	None	Financial assets at fair value through profit or loss - current	2,214,905	30,000	-	13.56	
Times Square International Stays Corp.	Fund	FSITC Money Market	None	Financial assets at fair value through profit or loss - current	111,834	20,000	-	178.86	
	Fund	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,204,764	30,000	-	13.64	
Times Square International Investment Holdings Co., Ltd.	Fund	Taishin 1699 Money Market	None	Financial assets at fair value through profit or loss - current	2,214,382	30,000		13.56	
	Fund	Allianz Global Investor Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,390,819	30,000		12.56	
	Fund	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,837,301	30,000		16.35	
Prince Real Estate Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	5,401	Note 1	31.30	Listed company
	Stock	Sung Gang Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	1,595	6.90	17.95	OTC company
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	13,571,283	200,000	-	14.86	
Prince Utility Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,997,207	50,010	-	16.75	

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

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

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

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

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

Note 6: 10,000 thousand shares of outstanding common stock were used as collateral for loan.

Prince Housing & Development Corp.

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

Nine months ended September 30, 2019

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: 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	$ 1,169,785	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	1,255,485	Taiwan Sugar Corporation	Third party	-	-	-	-	Market value	For operating use	None

Note 1: The transfer of title took place on settlement date. The Company paid $0 for the current period. As of September 30, 2019, the Company has already paid $1,169,785.

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 Company to pay aforementioned expenses.

Note 3: November 7, 2014 was the signing date of the contract. The Company paid $331,251 for the current period. As of September 30, 2019, the Company has already paid $1,255,485.

Prince Housing & Development Corp.
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Nine months ended September 30, 2019

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	Subsidiary	Purchases	$ 197,121	13%	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	$ -	0%	

Prince Housing & Development Corp.
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
September 30, 2019

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2019	Turnover rate	Overdue Amount	Overdue 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	-	$ -	-	$ -	$ -
Ta-Chen Construction & Engineering Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Affiliate	Other receivables - loans to others $ 100,000	-	-	-	-	-

Prince Housing & Development Corp.

Significant inter-company transactions during the reporting periods

Nine months ended September 30, 2019

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	The Company to the consolidated subsidiaries	Purchases	$ 197,121	In accordance with contract agreed by the both parties	2.24%
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	The Company to the consolidated subsidiaries	Construction in progress	1,084,790	-	1.96%
0	Prince Housing & Development Corp.	Prince Utility Co., Ltd.	The Company to the consolidated subsidiaries	Construction in progress	324,600	-	0.59%
0	Prince Housing & Development Corp.	The Splender Hotel Taichung	The Company to the consolidated subsidiaries	Endorsement and guarantee	1,900,000	In accordance with endorsement and guarantee procedures	3.43%
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	1.04%
1	Prince Real Estate Co., Ltd.	Prince Housing & Development Corp.	The consolidated subsidiaries to the Company	Endorsement and guarantee	2,055,309	In accordance with endorsement and guarantee procedures	3.72%
2	Ta-Chen Construction & Engineering Corp.	Cheng-Shi Investment Holdings Co., Ltd.	The consolidated subsidiaries to the consolidated subsidiaries	Loans to others	100,000	Based on Procedures for provision of loans	0.18%

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 ; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

Prince Housing & Development Corp.

Information on investees

Nine months ended September 30, 2019

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at September 30, 2019	Initial investment amount: Balance as at December 31, 2018	Shares held as at September 30, 2018: Number of shares	Shares held as at September 30, 2018: Ownership (%)	Shares held as at September 30, 2018: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2019	Investment income (loss) recognised by the Company for the nine months ended September 30, 2019	Footnote
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	$ 1,146,925	$ 1,146,925	97,504,758	100.00%	$ 1,122,676	$ 197,425	$ 220,562	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100.00%	265,207	20,631	20,703	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	281,490	(14,242)	(4,273)	
	Prince Housing Investment Co., Ltd.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	519,208	26,493	26,493	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,126,691	90,876	27,263	Note 4
	The Splender Hotel Taichung	Taiwan	Hotels and catering	975,000	975,000	97,500,000	50.00%	282,409	(33,870)	(16,935)	Note 2
	Jin Yi Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(297,365)	(3)	18,465	Notes 1 and 2
	Ming-Da Enterprise Co., Ltd.	Taiwan	Real estate trading	37,378	37,378	200,000	20.00%	25,386	(391)	(78)	
	Prince Industrial Co., Ltd.	Taiwan	Development of public housing and building	10,000	10,000	1,000,000	100.00%	9,366	(50)	(50)	Note 2
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	907,610	150,290	139,252	Notes 1 and 2
	Times Square International Investment Holdings Co., Ltd.	Taiwan	General investment	607,270	607,270	68,400,000	100.00%	949,097	83,491	83,491	Note 2
Cheng-Shi Investment Holdings Co., Ltd	Ta-Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	90,497,528	100.00%	1,142,668	178,581	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	54,594	3,533	-	Notes 2 and 3
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	234,745	18,267	-	Notes 2 and 3
Prince Housing Investment Co., Ltd.	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	3,215	28,296	-	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	395,574	55,359	-	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	100.00%	62,347	5,390	-	Notes 2 and 3
	Prince Security Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	174,358	15,515	-	Notes 2 and 3
Prince Real Estate Co., Ltd.	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	305,480	305,480	21,644,062	45.21%	(139,114)	(496)	-	Note 3
Time Square International Investment Holdings Co., Ltd.	Time Square International Co., Ltd.	Taiwan	Hotels and catering	376,270	376,270	46,300,000	100.00%	582,766	86,233	-	Notes 2 and 3
	Times Square International Stays Corp.	Taiwan	Hotels and catering	231,000	231,000	22,100,000	100.00%	217,681	(2,092)	-	Notes 2 and 3

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

Note 2: Subsidiary.

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

Note 4: Provided 108,000 thousand shares as collateral.