

**PRINCE HOUSING & DEVELOPMENT
CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2021 AND 2020**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

Introduction

We have reviewed the accompanying consolidated balance sheets of Prince Housing & Development Corp. and subsidiaries (the "Group") as at June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors whose statements reflect total assets of NT\$4,401,440 thousand and NT\$4,585,393 thousand, both constituting 9% of the consolidated total assets, and total liabilities of NT\$2,239,636 thousand and NT\$2,340,604 thousand, constituting 10% and 8% of the consolidated total liabilities as at June 30, 2021 and 2020, and total comprehensive income (loss) of NT\$38,371 thousand, NT\$25,427 thousand, NT(\$32,388) thousand and NT(\$15,142) thousand, constituting 4%, 6%, (2%) and (4%) of the consolidated total comprehensive income for the three months and six months then ended. As explained in Note 6(7), investments accounted for using equity method were assessed and disclosed

based on the financial statements that were not reviewed by the independent auditors, which statements reflect share of profit of associates and joint ventures of NT\$3,868 thousand, NT\$7,374 thousand, NT\$20,887 thousand and NT\$9,486 thousand for the three months and six months then ended, and investments (including credit balance transferred to other non-current liabilities-others of NT\$139,754 thousand and NT\$139,411 thousand) of NT\$1,694,673 thousand and NT\$1,692,055 thousand as at June 30, 2021 and 2020, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021 and 2020, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Wang, Kuo-Hua

Tien, Chung-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

August 5, 2021

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

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

Assets			June 30, 2021		December 31, 2020		June 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,780,635	6	\$ 5,406,601	10	\$ 3,697,909	7
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	2,398,329	5	904,348	2	1,293,547	3
1136	Current financial assets at amortised cost	6(4) and 8	776,808	2	960,960	2	1,003,136	2
1140	Current contract assets	6(24)	143,799	-	200,782	1	139,664	-
1150	Notes receivable, net	6(5)	66,734	-	25,934	-	83,187	-
1170	Accounts receivable, net	6(5)	580,946	1	1,026,186	2	703,742	1
1180	Accounts receivable - related parties	6(5) and 7	4,304	-	4,049	-	4,257	-
1200	Other receivables		45,222	-	84,537	-	57,477	-
1220	Current income tax assets		-	-	24,189	-	17,473	-
130X	Inventories, net	6(6) and 8	14,197,603	29	16,678,009	32	18,957,281	36
1410	Prepayments		115,460	-	101,098	-	98,416	-
1479	Other current assets	6(24)	6,311	-	3,381	-	8,005	-
11XX	Current Assets		21,116,151	43	25,420,074	49	26,064,094	49
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,992,306	4	894,021	2	597,991	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	2,775,226	6	2,246,407	4	2,190,644	4
1535	Non-current financial assets at amortised cost	6(4) and 8	703,784	1	772,833	1	891,132	2
1550	Investments accounted for under equity method	6(7) and 8	1,834,427	4	1,864,597	4	1,831,466	4
1600	Property, plant and equipment, net	6(8) and 8	5,742,746	12	5,835,171	11	6,039,124	11
1755	Right-of-use assets	6(9)	6,951,197	14	7,181,349	14	7,432,903	14
1760	Investment property, net	6(11) and 8	5,528,938	11	5,582,210	11	5,640,058	11
1780	Intangible assets, net	6(12)	1,966,643	4	1,996,776	4	2,026,855	4
1840	Deferred income tax assets		231,652	1	176,995	-	133,911	-
1920	Refundable deposits	7 and 9	126,897	-	113,575	-	166,538	-
1990	Other non-current assets		124,099	-	81,406	-	104,833	-
15XX	Non-current assets		27,977,915	57	26,745,340	51	27,055,455	51
1XXX	Total assets		\$ 49,094,066	100	\$ 52,165,414	100	\$ 53,119,549	100

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity		Notes	June 30, 2021		December 31, 2020		June 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(13) and 8	\$ 280,000	1	\$ 1,315,000	3	\$ 1,739,000	3
2110	Short-term notes and bills payable	6(14) and 8	70,000	-	50,000	-	349,830	1
2130	Current contract liabilities	6(24)	784,659	2	916,950	2	792,806	2
2150	Notes payable		497	-	306	-	2,529	-
2170	Accounts payable		1,469,737	3	1,798,011	3	1,656,407	3
2200	Other payables		625,174	1	718,474	1	1,222,482	2
2230	Current income tax liabilities		114,584	-	123,422	-	16,093	-
2280	Current lease liabilities	7	448,943	1	442,471	1	402,560	1
2310	Receipts in advance		86,767	-	44,413	-	92,475	-
2320	Long-term liabilities, current portion	6(15)(16) and 8	2,688,510	6	989,177	2	2,037,977	4
2399	Other current liabilities		76,320	-	76,741	-	45,800	-
21XX	Current Liabilities		<u>6,645,191</u>	<u>14</u>	<u>6,474,965</u>	<u>12</u>	<u>8,357,959</u>	<u>16</u>
Non-current liabilities								
2530	Bonds payable	6(15)	2,500,000	5	4,500,000	9	4,500,000	8
2540	Long-term borrowings	6(16) and 8	4,567,369	9	7,704,060	15	7,265,569	14
2550	Provisions for liabilities - non-current	6(17)	126,414	-	113,024	-	109,696	-
2570	Deferred income tax liabilities		298,084	1	298,084	1	298,099	1
2580	Non-current lease liabilities	7	7,200,288	15	7,418,712	14	7,642,479	14
2610	Long-term notes and accounts payable		808,301	2	808,301	2	808,301	2
2640	Net defined benefit liability - non-current		61,503	-	67,490	-	66,911	-
2645	Guarantee deposits received		182,766	-	160,581	-	180,141	-
2670	Other non-current liabilities	6(7)	194,664	-	194,835	-	194,132	-
25XX	Non-current liabilities		<u>15,939,389</u>	<u>32</u>	<u>21,265,087</u>	<u>41</u>	<u>21,065,328</u>	<u>39</u>
2XXX	Total Liabilities		<u>22,584,580</u>	<u>46</u>	<u>27,740,052</u>	<u>53</u>	<u>29,423,287</u>	<u>55</u>
Equity attributable to owners of parent								
	Share capital	6(19)						
3110	Common stock		16,233,261	33	16,233,261	31	16,233,261	30
	Capital surplus	6(20)						
3200	Capital surplus		2,260,513	5	2,260,513	5	2,260,513	5
	Retained earnings	6(21)						
3310	Legal reserve		2,153,743	4	2,153,743	4	2,153,743	4
3350	Unappropriated retained earnings		3,910,498	8	2,313,465	4	1,629,207	3
	Other equity interest	6(22)						
3400	Other equity interest		1,779,317	4	1,242,257	2	1,186,513	2
3500	Treasury stocks	6(19)	(1,003)	-	(1,003)	-	(1,003)	-
31XX	Equity attributable to owners of the parent		<u>26,336,329</u>	<u>54</u>	<u>24,202,236</u>	<u>46</u>	<u>23,462,234</u>	<u>44</u>
36XX	Non-controlling interest		<u>173,157</u>	<u>-</u>	<u>223,126</u>	<u>1</u>	<u>234,028</u>	<u>1</u>
3XXX	Total equity		<u>26,509,486</u>	<u>54</u>	<u>24,425,362</u>	<u>47</u>	<u>23,696,262</u>	<u>45</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant contingent liabilities and unrecognised contract commitments	11						
3X2X	Total liabilities and equity		\$ 49,094,066	100	\$ 52,165,414	100	\$ 53,119,549	100

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2021 AND 2020

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

Items	Notes	Three months ended June 30				Six months ended June 30			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(24) and 7	\$ 2,678,022	100	\$ 2,179,743	100	\$ 5,910,171	100	\$ 4,812,096	100
5000 Operating costs	6(6)(12)(29)	(1,907,798)	(71)	(1,956,740)	(90)	(4,330,582)	(73)	(4,110,823)	(85)
5900 Gross profit		<u>770,224</u>	<u>29</u>	<u>223,003</u>	<u>10</u>	<u>1,579,589</u>	<u>27</u>	<u>701,273</u>	<u>15</u>
Operating expenses	6(12)(29)								
6100 Selling expenses		(63,961)	(2)	(44,132)	(2)	(147,419)	(2)	(117,941)	(3)
6200 General and administrative expenses		(473,641)	(18)	(358,196)	(16)	(978,468)	(17)	(726,320)	(15)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(465)	-	101	-	(459)	-	237	-
6000 Total operating expenses		(538,067)	(20)	(402,227)	(18)	(1,126,346)	(19)	(844,024)	(18)
6900 Operating profit (loss)		<u>232,157</u>	<u>9</u>	<u>(179,224)</u>	<u>(8)</u>	<u>453,243</u>	<u>8</u>	<u>(142,751)</u>	<u>(3)</u>
Non-operating income and expenses									
7100 Interest income	6(25)	2,126	-	3,726	-	4,163	-	7,118	-
7010 Other income	6(3)(26)	122,779	5	148,858	7	183,463	3	159,367	4
7020 Other gains and losses	6(2)(27)	459,824	17	164,094	7	1,102,351	19	148,282	3
7050 Finance costs	6(6)(28) and 7	(70,816)	(3)	(73,878)	(3)	(151,582)	(3)	(151,253)	(3)
7060 Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	<u>3,868</u>	<u>-</u>	<u>7,374</u>	<u>-</u>	<u>20,887</u>	<u>-</u>	<u>9,486</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>517,781</u>	<u>19</u>	<u>250,174</u>	<u>11</u>	<u>1,159,282</u>	<u>19</u>	<u>173,000</u>	<u>4</u>
7900 Profit before income tax		<u>749,938</u>	<u>28</u>	<u>70,950</u>	<u>3</u>	<u>1,612,525</u>	<u>27</u>	<u>30,249</u>	<u>1</u>
7950 Income tax expense	6(30)	(17,422)	(1)	24,625	1	(65,461)	(1)	23,533	-
8200 Profit for the period		<u>\$ 732,516</u>	<u>27</u>	<u>\$ 95,575</u>	<u>4</u>	<u>\$ 1,547,064</u>	<u>26</u>	<u>\$ 53,782</u>	<u>1</u>
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316 Total expenses, by nature	6(3)(22)	\$ 209,350	8	\$ 362,375	17	\$ 537,060	9	\$ 310,023	7
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>209,350</u>	<u>8</u>	<u>362,375</u>	<u>17</u>	<u>537,060</u>	<u>9</u>	<u>310,023</u>	<u>7</u>
8300 Total other comprehensive income for the period		<u>\$ 209,350</u>	<u>8</u>	<u>\$ 362,375</u>	<u>17</u>	<u>\$ 537,060</u>	<u>9</u>	<u>\$ 310,023</u>	<u>7</u>
8500 Total comprehensive income for the period		<u>\$ 941,866</u>	<u>35</u>	<u>\$ 457,950</u>	<u>21</u>	<u>\$ 2,084,124</u>	<u>35</u>	<u>\$ 363,805</u>	<u>8</u>
Profit (loss), attributable to:									
8610 Owners of the parent		\$ 764,769	28	\$ 125,332	5	\$ 1,597,033	27	\$ 107,230	2
8620 Non-controlling interest		(32,253)	(1)	(29,757)	(1)	(49,969)	(1)	(53,448)	(1)
		<u>\$ 732,516</u>	<u>27</u>	<u>\$ 95,575</u>	<u>4</u>	<u>\$ 1,547,064</u>	<u>26</u>	<u>\$ 53,782</u>	<u>1</u>
Comprehensive income (loss), attributable to:									
8710 Owners of the parent		\$ 974,119	36	\$ 487,707	22	\$ 2,134,093	36	\$ 417,253	9
8720 Non-controlling interest		(32,253)	(1)	(29,757)	(1)	(49,969)	(1)	(53,448)	(1)
		<u>\$ 941,866</u>	<u>35</u>	<u>\$ 457,950</u>	<u>21</u>	<u>\$ 2,084,124</u>	<u>35</u>	<u>\$ 363,805</u>	<u>8</u>
Earnings per share (in dollars)	6(31)								
9750 Basic earnings per share		<u>\$ 0.47</u>		<u>\$ 0.08</u>		<u>\$ 0.98</u>		<u>\$ 0.07</u>	
9850 Diluted earnings per share		<u>\$ 0.47</u>		<u>\$ 0.08</u>		<u>\$ 0.97</u>		<u>\$ 0.07</u>	

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Notes	Equity attributable to owners of the parent							Non-controlling interest	Total equity	
	Share capital - common stock	Capital surplus, additional paid-in capital	Retained earnings		Other equity interest		Treasury stocks			Total
			Legal reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
	\$ 16,233,261	\$ 2,260,513	\$ 2,058,870	\$ 2,428,513	(\$ 48)	\$ 876,538	(\$ 1,003)	\$ 23,856,644	\$ 288,168	\$ 24,144,812
6(31)	-	-	-	107,230	-	-	-	107,230	(53,448)	53,782
6(3)(22)	-	-	-	-	-	310,023	-	310,023	-	310,023
	-	-	-	107,230	-	310,023	-	417,253	(53,448)	363,805
	-	-	94,873	(94,873)	-	-	-	-	-	-
6(21)	-	-	-	(811,663)	-	-	-	(811,663)	-	(811,663)
	-	-	-	-	-	-	-	-	(692)	(692)
	<u>\$ 16,233,261</u>	<u>\$ 2,260,513</u>	<u>\$ 2,153,743</u>	<u>\$ 1,629,207</u>	<u>(\$ 48)</u>	<u>\$ 1,186,561</u>	<u>(\$ 1,003)</u>	<u>\$ 23,462,234</u>	<u>\$ 234,028</u>	<u>\$ 23,696,262</u>
	\$ 16,233,261	\$ 2,260,513	\$ 2,153,743	\$ 2,313,465	(\$ 48)	\$ 1,242,305	(\$ 1,003)	\$ 24,202,236	\$ 223,126	\$ 24,425,362
6(31)	-	-	-	1,597,033	-	-	-	1,597,033	(49,969)	1,547,064
6(3)(22)	-	-	-	-	-	537,060	-	537,060	-	537,060
	-	-	-	1,597,033	-	537,060	-	2,134,093	(49,969)	2,084,124
	<u>\$ 16,233,261</u>	<u>\$ 2,260,513</u>	<u>\$ 2,153,743</u>	<u>\$ 3,910,498</u>	<u>(\$ 48)</u>	<u>\$ 1,779,365</u>	<u>(\$ 1,003)</u>	<u>\$ 26,336,329</u>	<u>\$ 173,157</u>	<u>\$ 26,509,486</u>

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Six months ended June 30	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,612,525	\$ 30,249
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)	(1,099,810)	(120,610)
Expected credit losses (gains)	12(2)	459	237)
Share of profit of associates and joint ventures accounted for under equity method	6(7)		
Gain on disposal of property, plant and equipment		(20,887)	(9,486)
Loss (gain) on disposal of investment property	6(27)	(12,198)	(27,132)
Property, plant and equipment transferred to expenses	6(27)	9,664	(283)
Gain arising from lease modification		550	226
Depreciation	6(9)	(13)	(53)
Amortization	6(8)(9)(11)(29)	393,051	362,470
Interest expense	6(12)(29)	31,496	31,014
Interest income	6(28)	150,982	150,653
Dividend income	6(25)	(4,163)	(7,118)
Changes in assets/liabilities relating to operating activities	6(3)(26)	(85,211)	(39)
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(1,492,456)	227,157
Current contract assets		56,983	201,162
Notes receivable		(40,800)	(24,846)
Accounts receivable		444,781	47,642
Accounts receivable - related parties		(255)	(561)
Other receivables		64,202	(23,416)
Inventories		2,480,406	1,005,849
Prepayments		6,985	37,139
Other current assets		(2,930)	(3,931)
Other non-current liabilities		(42,693)	(31,521)
Net changes in liabilities relating to operating activities			
Current contract liabilities		(132,291)	(129,734)
Notes payable		191	6
Accounts payable		(328,274)	(379,023)
Other payables		(68,441)	(344,426)
Other payables - related parties		-	(83,349)
Receipts in advance		42,354	25,682
Other current liabilities		(421)	(1,083)
Provisions for liabilities - non-current		13,390	7,142
Net defined benefit liability - non-current		(5,987)	(4,957)
Other non-current liabilities, others		(171)	112
Cash inflow generated from operations		1,971,018	936,864
Interest received		4,163	7,118
Cash dividend received		136,268	62,579
Interest paid		(197,520)	(196,740)
Income tax paid		(129,654)	(19,591)
Net cash flows from operating activities		1,784,275	790,230

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PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Six months ended June 30	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost - current		\$ 184,152	\$ 61,707
Proceeds from capital reduction of non-current financial assets at fair value through other comprehensive income		8,241	-
Decrease in financial assets at amortised cost-non-current		69,049	279,746
Acquisition of property, plant and equipment	6(8)	(22,013)	(139,357)
Proceeds from disposal of property, plant and equipment		18,963	29,612
Proceeds from disposal of investment property		887	2,343
Increase in intangible assets	6(12)	(1,363)	(942)
Increase in refundable deposits		(13,322)	(4,551)
Net cash flows from investing activities		<u>244,594</u>	<u>228,558</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(33)	(1,035,000)	(240,000)
Increase in short-term notes and bills payable	6(33)	20,000	249,905
Repayment of long-term borrowings	6(33)	(12,117,788)	(21,980,662)
Proceeds from long-term borrowings	6(33)	8,680,430	19,128,284
Increase in guarantee deposits received	6(33)	22,185	31,182
Payments of lease liabilities	6(33)	(224,662)	(182,650)
Change in non-controlling interest		-	(692)
Net cash flows used in financing activities		(<u>4,654,835</u>)	(<u>2,994,633</u>)
Net decrease in cash and cash equivalents		(2,625,966)	(1,975,845)
Cash and cash equivalents at beginning of period		<u>5,406,601</u>	<u>5,673,754</u>
Cash and cash equivalents at end of period		\$ 2,780,635	\$ 3,697,909

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(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 August 5, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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, 2020, 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, 2020.

(2) Basis of preparation

- A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less unrecognised actuarial gains and present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation for the current period financial statements and the 2020 consolidated financial statements is the same.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			June 30, 2021	December 31, 2020	
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	Note 1
	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	Note 2
	Times Square International Holdings Co., Ltd.	General investments	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			June 30, 2021	December 31, 2020	
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	
	Times Square International Stays Corp.	Hotels and catering	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			June 30, 2020		
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
	The Splendor Hotel Taichung	Hotels and catering	50		Note 1
	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 Property Management Consulting Co., Ltd.	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68		Note 2
	Times Square International Holdings Co., Ltd.	General investments	100		
	Prince Apartment Management Maintain Co., Ltd.	Management of apartment	100		Note 2
	Prince Security Co., Ltd.	Security	100		Note 2
	Ta-Chen Construction & Engineering Corp.	Construction	100		
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100		Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Cheng-Shi Construction Co., Ltd.	Construction	100		Note 2
	Times Square International Hotel Corp.	Hotels and catering	100		
	Times Square International Stays Corp.	Hotels and catering	100		Note 2

Note 1: The Group does not directly or indirectly own above 50% of voting shares of The Splendor 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 six months ended June 30, 2021 and 2020 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

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

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

E. Significant restrictions: None.

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

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

(4) Employee benefits

Pensions-defined contribution plan

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

(5) Income taxes

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

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

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

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

Investment property

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

(2) Critical accounting estimates and assumptions

Revenue recognition

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Cash on hand and revolving funds	\$ 9,413	\$ 9,581	\$ 9,272
Checking accounts and demand deposits	2,470,818	4,776,962	3,006,207
Time deposits	-	60,000	100,000
Repurchase bonds	300,404	560,058	582,430
	<u>\$ 2,780,635</u>	<u>\$ 5,406,601</u>	<u>\$ 3,697,909</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The repurchase bonds held by the Group have high liquidity, so they were classified as cash equivalents.

C. Details of time deposits maturing in excess of three months, trust fund of presale construction and compensating balance of borrowings pledged to others as collateral which were classified as financial assets at amortised cost, are provided in Note 6(4).

D. Details of the interest income from the aforementioned pledged bank deposits which was recognised under interest income, are provided in Note 6(25).

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

<u>Items</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 2,389,674	\$ 897,218	\$ 1,284,569
Valuation adjustment	8,655	7,130	8,978
	<u>\$ 2,398,329</u>	<u>\$ 904,348</u>	<u>\$ 1,293,547</u>
<u>Items</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed (TSE and OTC) stocks	\$ 264,520	\$ 264,520	\$ 264,520
Beneficiary certificates	76,000	76,000	76,000
	340,520	340,520	340,520
Valuation adjustments	1,651,786	553,501	257,471
	<u>\$ 1,992,306</u>	<u>\$ 894,021</u>	<u>\$ 597,991</u>

A. The Group recognised net gains of \$447,410, \$162,356, \$1,099,810 and \$120,610 on financial assets at fair value through profit or loss for the three months and six months June 30, 2021 and 2020, 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	June 30, 2021	December 31, 2020	June 30, 2020
Non-current items:			
Designation of equity instruments			
Listed stocks	\$ 115,144	\$ 115,144	\$ 115,144
Unlisted stocks	<u>884,822</u>	<u>888,151</u>	<u>888,151</u>
	999,966	1,003,295	1,003,295
Valuation adjustments	<u>1,775,260</u>	<u>1,243,112</u>	<u>1,187,349</u>
	<u>\$ 2,775,226</u>	<u>\$ 2,246,407</u>	<u>\$ 2,190,644</u>

A. The Group has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,775,226, \$2,246,407 and \$2,190,644 as at June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

B. 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:

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 209,350</u>	<u>\$ 362,375</u>
Dividend income recognised in profit or loss held at end of period	<u>\$ 31,081</u>	<u>\$ 39</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 537,060</u>	<u>\$ 310,023</u>
Dividend income recognised in profit or loss held at end of period	<u>\$ 31,902</u>	<u>\$ 39</u>

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

(4) Financial assets at amortised cost

Items	June 30, 2021	December 31, 2020	June 30, 2020
Current items:			
Time deposits maturing in excess of three months	\$ 733,815	\$ 916,587	\$ 891,303
Trust account	42,993	44,373	111,833
	<u>\$ 776,808</u>	<u>\$ 960,960</u>	<u>\$ 1,003,136</u>
Non-current items:			
Compensating balance	\$ 467,502	\$ 536,551	\$ 638,711
Pledged certificate of deposit	236,282	236,282	252,421
	<u>\$ 703,784</u>	<u>\$ 772,833</u>	<u>\$ 891,132</u>

A. As at June 30, 2021, December 31, 2020 and June 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,480,592, \$1,733,793 and \$1,894,268, respectively.

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

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	<u>\$ 66,734</u>	<u>\$ 25,934</u>	<u>\$ 83,187</u>
Accounts receivable	\$ 581,244	\$ 1,026,490	\$ 707,965
Less: Allowance for doubtful accounts	(298)	(304)	(4,223)
	<u>\$ 580,946</u>	<u>\$ 1,026,186</u>	<u>\$ 703,742</u>
Accounts receivable - related parties	<u>\$ 4,304</u>	<u>\$ 4,049</u>	<u>\$ 4,257</u>

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

	June 30, 2021		December 31, 2020		June 30, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	\$ 66,734	\$ 584,876	\$ 25,934	\$1,025,772	\$ 83,187	\$ 707,774
Up to 30 days	-	-	-	2,631	-	-
31 to 60 days	-	203	-	1,686	-	-
61 to 90 days	-	-	-	5	-	-
Over 91 days	-	469	-	445	-	4,448
	<u>\$ 66,734</u>	<u>\$ 585,548</u>	<u>\$ 25,934</u>	<u>\$1,030,539</u>	<u>\$ 83,187</u>	<u>\$ 712,222</u>

The above ageing analysis was based on past due date.

B. As at June 30, 2021, December 31, 2020, June 30, 2020 and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$584,261, \$1,024,767, \$705,064 and \$769,233, respectively.

C. As at June 30, 2021, December 31, 2020 and June 30, 2020, 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 \$66,734, \$25,934 and \$83,187, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$585,250, \$1,030,235 and \$707,999, respectively.

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

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

(6) Inventories (Eliminations and adjustments for consolidation were not included in the following information.)

	June 30, 2021		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 7,100,748	(\$ 62,573)	\$ 7,038,175
Construction in progress	1,814,521	-	1,814,521
Buildings and land held for sale	5,103,516	(8,209)	5,095,307
Prepayment for land	228,635	-	228,635
Merchandise	20,965	-	20,965
	<u>\$ 14,268,385</u>	<u>(\$ 70,782)</u>	<u>\$ 14,197,603</u>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 7,103,372	(\$ 62,573)	\$ 7,040,799
Construction in progress	1,611,172	-	1,611,172
Buildings and land held for sale	7,785,578	(11,072)	7,774,506
Prepayment for land	228,635	-	228,635
Merchandise	22,897	-	22,897
	<u>\$ 16,751,654</u>	<u>(\$ 73,645)</u>	<u>\$ 16,678,009</u>

	June 30, 2020		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	\$ 6,333,957	(\$ 62,695)	\$ 6,271,262
Construction in progress	3,089,284	-	3,089,284
Buildings and land held for sale	8,810,401	(12,258)	8,798,143
Prepayment for land	223,135	-	223,135
Prepayment for buildings and land	552,085	-	552,085
Merchandise	23,372	-	23,372
	<u>\$ 19,032,234</u>	<u>(\$ 74,953)</u>	<u>\$ 18,957,281</u>

A. The cost of inventories recognised as expense for the three months and six months ended June 30, 2021 and 2020 was \$1,622,880, \$1,618,342, \$3,670,219 and \$3,405,041, respectively, including the amounts of \$0, \$0, \$2,863 and \$1,554, 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 June 30,	
	2021	2020
Interest paid before capitalization	<u>\$ 84,799</u>	<u>\$ 101,098</u>
Interest capitalized	<u>\$ 14,283</u>	<u>\$ 27,520</u>
Annual interest rate used for capitalization	<u>0.79%-2.12%</u>	<u>0.82%-2.08%</u>
	Six months ended June 30,	
	2021	2020
Interest paid before capitalization	<u>\$ 179,237</u>	<u>\$ 214,039</u>
Interest capitalized	<u>\$ 28,255</u>	<u>\$ 63,386</u>
Annual interest rate used for capitalization	<u>0.79%-2.23%</u>	<u>0.82%-2.22%</u>

D. Details of significant inventories:

(a) Buildings and land in progress

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Taipei branch</u>			
Ling Ko Li Shing Section No. 1209, etc.	\$ 2,248,893	\$ 2,123,820	\$ 2,031,950
Bali Dist Chung Chang Section No.222 and 211-1, etc.	<u>689,501</u>	<u>689,427</u>	<u>689,415</u>
	<u>2,938,394</u>	<u>2,813,247</u>	<u>2,721,365</u>
<u>Taichung branch</u>			
Beitun Dist. Rong-De Lot No.129, etc.	\$ 759,193	\$ 759,030	\$ -
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	<u>212,263</u>	<u>212,263</u>	<u>212,248</u>
	<u>971,456</u>	<u>971,293</u>	<u>212,248</u>

<u>Tainan branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Jin Hua Section No. 1361	\$ 689,315	\$ 689,315	\$ 688,265
Shan Chia Section No. 939, etc.	156,361	156,281	156,259
Others	<u>3,738</u>	<u>3,738</u>	<u>3,738</u>
	<u>849,414</u>	<u>849,334</u>	<u>848,262</u>
<u>Kaohsiung branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prince Cloud E (Ren Wu New Hougang West Section No. 90, etc.)	\$ 774,258	\$ 696,080	\$ 584,829
Prince Cloud B (Ren Wu New Hougang West Section No. 42, etc.)	364,370	364,370	364,370
Ren Wu New Hougang West Section No. 88 experimental house	72,933	72,933	72,933
Prince Castle (Building) (Nanzi subsection No. 158, etc.)	-	-	1,685,126
	<u>1,211,561</u>	<u>1,133,383</u>	<u>2,707,258</u>
Total buildings and land in process	<u>\$ 5,970,825</u>	<u>\$ 5,767,257</u>	<u>\$ 6,489,133</u>

(b)Undeveloped land held for construction site

<u>Taipei branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Zhong Li Pu Ren Lot No. 720, etc.	\$ 140,156	\$ 140,156	\$ 140,156
Others	<u>5,978</u>	<u>5,978</u>	<u>5,978</u>
	<u>146,134</u>	<u>146,134</u>	<u>146,134</u>
<u>Taichung branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Wu Feng Lot No. 365~855 etc.	\$ 175,661	\$ 175,661	\$ 175,661
Song Quan Lot No. 164 etc.	137,697	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513	19,513
Others	<u>10,353</u>	<u>14,461</u>	<u>14,461</u>
	<u>418,303</u>	<u>422,411</u>	<u>422,411</u>
<u>Tainan branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Shan Zhong Lot No. 1468, 1475 & 1476 etc.	\$ 234,699	\$ 234,699	\$ 234,699
Xue Zhong Lot No. 679, etc.	50,798	50,798	50,798
Yong Kang Ding An Lot No. 879, etc.	28,610	28,610	28,610
Bei An Section No. 54-3, etc.	28,317	28,317	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
Others	<u>14,550</u>	<u>14,550</u>	<u>14,550</u>
	<u>382,438</u>	<u>382,438</u>	<u>369,465</u>
<u>Kaohsiung branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Ren Wu New Hougang West Section No. 53, etc.	\$ 905,077	\$ 905,077	\$ 905,077
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357	407,357
Ren Wu Xiahai Section No. 642, 669 & 940, etc.	41,668	41,668	41,668
Da Hua Lot No. 434 & 436	<u>13,923</u>	<u>13,923</u>	<u>13,923</u>
	<u>1,368,025</u>	<u>1,368,025</u>	<u>1,368,025</u>
Total undeveloped land held for construction site	<u>\$ 2,314,900</u>	<u>\$ 2,319,008</u>	<u>\$ 2,306,035</u>

(c)Buildings and land held for sale

<u>Taipei branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prince Hua Wei	\$ 939,597	\$ 939,597	\$ 936,352
Taipei Shin Yi (Xin Zhuang Fuduxin)	539,633	863,365	1,177,287
Prince W	138,082	138,082	370,870
Prince Pine garden	17,390	106,265	347,883
Prince Da Din	12,025	12,025	12,025
Prince Guo Boa	-	5,738	5,738
Prince Fu III	-	-	19,390
Others	-	546	546
	<u>1,646,727</u>	<u>2,065,618</u>	<u>2,870,091</u>
<u>Taichung branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prince Xian Heng	\$ 757,915	\$ 888,888	\$ 1,060,551
Prosperous New World	233,658	789,498	1,804,098
Prince Holiday Mansion	9,058	9,058	9,058
Ching Feng Jin	-	-	20,759
Others	6,118	6,118	6,118
	<u>1,006,749</u>	<u>1,693,562</u>	<u>2,900,584</u>
<u>Tainan branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Word of Peak	\$ 365,827	\$ 781,168	\$ 1,404,364
Prince Flower Bo Five	169,912	309,642	481,307
Jun Chan LV	19,725	19,725	19,725
Prince WIN2 Future	11,837	11,837	75,031
Prince Golden Age	4,145	4,145	5,302
Others	2,292	2,292	2,292
	<u>573,738</u>	<u>1,128,809</u>	<u>1,988,021</u>
<u>Kaohsiung branch</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Prince Castle (Building)	\$ 1,017,741	\$ 1,937,118	\$ -
Prince Castle (Townhouse)	863,944	1,000,234	1,086,982
Prince Cloud C apartment	25,911	27,536	28,347
Prince Cloud D	22,206	22,206	22,206
Prince Dai Din	5,866	6,518	7,170
	<u>1,935,668</u>	<u>2,993,612</u>	<u>1,144,705</u>
Total buildings and land held for sale	<u>\$ 5,162,882</u>	<u>\$ 7,881,601</u>	<u>\$ 8,903,401</u>

(d)Prepayment for land

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Tainan branch</u>			
Ren Wu New Hougang West Section No. 20, etc.	<u>\$ 228,635</u>	<u>\$ 228,635</u>	<u>\$ 223,135</u>

(e)Prepayment for buildings and land

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Taisugar Nanzi Section	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,085</u>

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E. Disclosure of significant constructions:

(a) As of June 30, 2021, 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	\$ 2,471,186	\$ 2,384,639	94.32%	\$ 81,622
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,911,716	90.30%	47,425
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,857,476	0.68%	665
Tainan Metropolitan Expressway	1,689,945	1,614,046	79.53%	60,362
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	20.89%	12,867
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	54.05%	31,114
Urban land consolidation engineering of Bei An commercial district	1,043,280	991,116	0.30%	156
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	95.62%	27,459

(b) As of December 31, 2020, 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	\$ 2,455,948	\$ 2,369,990	90.21%	\$ 77,543
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,962,547	1,911,716	88.31%	44,889
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,857,476	0.07%	68
Tainan Metropolitan Expressway	1,689,945	1,614,046	70.86%	53,782
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	5.02%	3,092
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	38.91%	22,399
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,013,032	984,315	90.76%	26,064

(c) As of June 30, 2020, significant constructions are set forth below:

<u>Name of construction contract</u>	<u>Contract amount</u>	<u>Estimated construction cost</u>	<u>Percentage of completion</u>	<u>Accumulated construction profit/(loss)</u>
Tai She Zhi Shan Yuan - New construction	\$ 2,434,794	\$ 2,343,228	88.66%	\$ 79,351
Construction of T.S. Landmark Plaza (\$1.2 billion)	1,792,455	1,745,827	81.67%	38,081
Tainan Metropolitan Expressway	1,681,905	1,606,206	54.28%	41,089
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	24.31%	13,994
Construction of T.S. Landmark Plaza (\$0.8 billion)	1,050,252	1,019,832	68.12%	20,722

(7) Investments accounted for under the equity method

Name of associates	June 30, 2021		December 31, 2020		June 30, 2020	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Geng-Ding Co., Ltd.	\$ 294,943	30.00%	\$ 304,626	30.00%	\$ 296,413	30.00%
Uni-President Development Corp.	1,126,503	30.00%	1,136,641	30.00%	1,112,596	30.00%
PPG Investment Inc.	19,435	27.30%	13,507	27.30%	4,690	27.30%
Queen Holdings Ltd.	393,546	27.30%	401,781	27.30%	392,198	27.30%
Ming-Da Enterprise Co., Ltd. (Note 1)	-	-	8,042	20.00%	25,569	20.00%
Amida Truslink Assets Management Co., Ltd. (Note 2)	-	45.21%	-	45.21%	-	45.21%
	<u>\$1,834,427</u>		<u>\$ 1,864,597</u>		<u>\$ 1,831,466</u>	

Note 1: Ming-Da Enterprise Co., Ltd. had completed the liquidation process on May 31, 2021.

Note 2: As of June 30, 2021, December 31, 2020 and June 30, 2020, 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 \$139,754, \$139,754 and \$139,411, 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.		
	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 287,329	\$ 60,122	\$ 275,991
Non-current assets	7,269,056	7,463,340	7,651,015
Current liabilities	(2,924,051)	(3,085,745)	(3,380,555)
Non-current liabilities	(877,326)	(648,912)	(837,798)
Total net assets	<u>\$ 3,755,008</u>	<u>\$ 3,788,805</u>	<u>\$ 3,708,653</u>
Share in associate's net assets	<u>\$ 1,126,503</u>	<u>\$ 1,136,641</u>	<u>\$ 1,112,596</u>

Statements of comprehensive income

Uni President Development Corp.		
Three months ended June 30,		
	2021	2020
Revenue	\$ 226,218	\$ 205,590
Profit for the period from continuing operations	\$ 29,520	\$ 14,601
Total comprehensive income	\$ 29,520	\$ 14,601
Dividends received from associates	\$ -	\$ -

Uni President Development Corp.		
Six months ended June 30,		
	2021	2020
Revenue	\$ 460,031	\$ 412,695
Profit for the period from continuing operations	\$ 63,763	\$ 28,094
Total comprehensive income	\$ 63,763	\$ 28,094
Dividends received from associates	\$ -	\$ -

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

As of June 30, 2021, December 31, 2020 and June 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$568,170, \$588,202 and \$579,459, respectively.

Three months ended June 30,		
	2021	2020
(Loss) profit for the period from continuing operations	(\$ 1,548)	\$ 11,580
Other comprehensive loss, net of tax	-	-
Total comprehensive (loss) income	(\$ 1,548)	\$ 11,580

Six months ended June 30,		
	2021	2020
Profit for the period from continuing operations	\$ 23,978	\$ 7,145
Other comprehensive income, net of tax	-	-
Total comprehensive income	\$ 23,978	\$ 7,145

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

- E. The Group's investments accounted for using the equity method expressed herein was solely based on the investees' financial statements of the same reporting periods which were not reviewed by independent auditors. For the three months and six months ended June 30, 2021 and 2020, the Group recognised share of profit (loss) of associates and joint venture accounted for using equity method of \$3,868, \$7,374, \$20,887 and \$9,486 and the investments as at June 30, 2021 and 2020, totalled \$1,694,673 and \$1,692,055, respectively. The disclosures in relation to certain investments accounted for using the equity method as at December 31, 2020, were solely based on investees' financial statements which were audited by other independent auditors. The investments accounted for using the equity method as at December 31, 2020 was \$580,160.
- F. Details of the Group's investments accounted for under the equity method pledged to others as collateral are provided in Note 8.

(8) Property, plant and equipment

A. Details of book values are as follows:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Land	\$ 2,850,275	\$ 2,853,075	\$ 2,853,075
Buildings	2,467,531	2,525,370	2,729,011
Machinery and equipment	2,254	2,807	3,412
Computer and communication equipment	3,535	2,591	1,593
Transportation equipment	1,864	2,305	2,951
Office equipment	222,297	239,839	237,830
Leasehold improvements	136,624	159,483	19,679
Other equipment	51,209	48,433	47,266
Construction in progress and equipment under acceptance	7,157	1,268	144,307
	<u>\$ 5,742,746</u>	<u>\$ 5,835,171</u>	<u>\$ 6,039,124</u>

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

Six months ended June 30, 2021					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land					
Assets used by the Company	\$ 1,441,464	\$ -	(\$ 2,800)	\$ -	\$ 1,438,664
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Company	1,920,287	82	(4,845)	-	1,915,524
Assets subject to operating leases	1,863,552	-	-	-	1,863,552
Machinery and equipment	16,566	-	-	-	16,566
Computer and communication equipment	61,672	1,430	-	-	63,102
Transportation equipment	10,255	-	(655)	-	9,600
Office equipment	866,506	8,668	(6,450)	-	868,724
Leasehold improvements	836,997	583	-	-	837,580
Other equipment	98,616	5,361	(168)	(218)	103,591
Construction in progress and equipment under acceptance	1,268	5,889	-	-	7,157
	<u>\$ 8,528,794</u>	<u>\$ 22,013</u>	<u>(\$ 14,918)</u>	<u>(\$ 218)</u>	<u>\$ 8,535,671</u>

Six months ended June 30, 2020					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land					
Assets used by the Company	\$ 1,443,757	\$ -	(\$ 1,139)	(\$ 1,154)	\$ 1,441,464
Assets subject to operating leases	1,411,611	-	-	-	1,411,611
Buildings and structures					
Assets used by the Company	2,648,765	2,863	(1,349)	88	2,650,367
Assets subject to operating leases	1,868,809	-	-	5,738	1,874,547
Machinery and equipment	16,631	-	(240)	-	16,391
Computer and communication equipment	60,261	151	(118)	-	60,294
Transportation equipment	12,597	-	-	-	12,597
Office equipment	851,915	13,414	(28,503)	13,299	850,125
Leasehold improvements	73,533	-	-	-	73,533
Other equipment	94,847	898	(684)	-	95,061
Construction in progress and prepayments for equipment	12,074	122,031	(93)	10,295	144,307
	<u>\$ 8,494,800</u>	<u>\$ 139,357</u>	<u>(\$ 32,126)</u>	<u>\$ 28,266</u>	<u>\$ 8,630,297</u>

Six months ended June 30, 2021					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	\$ 618,853	\$ 22,676	(\$ 1,354)	\$ -	\$ 640,175
Assets subject to operating leases	639,616	31,754	-	-	671,370
Machinery and equipment	13,759	553	-	-	14,312
Computer and communication equipment	59,081	486	-	-	59,567
Transportation equipment	7,950	333	(547)	-	7,736
Office equipment	626,667	26,004	(6,244)	-	646,427
Leasehold improvements	677,514	23,442	-	-	700,956
Other equipment	50,183	2,207	(8)	-	52,382
	<u>\$ 2,693,623</u>	<u>\$ 107,455</u>	<u>(\$ 8,153)</u>	<u>\$ -</u>	<u>\$ 2,792,925</u>

Six months ended June 30, 2020					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	\$ 1,130,959	\$ 56,648	(\$ 796)	\$ -	\$ 1,186,811
Assets subject to operating leases	577,229	31,863	-	-	609,092
Machinery and equipment	12,375	815	(211)	-	12,979
Computer and communication equipment	58,076	743	(118)	-	58,701
Transportation equipment	9,155	491	-	-	9,646
Office equipment	612,795	27,751	(28,251)	-	612,295
Leasehold improvements	53,191	663	-	-	53,854
Other equipment	45,141	2,698	(44)	-	47,795
	<u>\$ 2,498,921</u>	<u>\$ 121,672</u>	<u>(\$ 29,420)</u>	<u>\$ -</u>	<u>\$ 2,591,173</u>

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

(9) Leasing arrangements — lessee

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

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

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 14,576	\$ 15,820	\$ 22,801
Buildings and structures	6,934,491	7,164,618	7,408,383
Machinery and equipment (private branch exchange)	-	71	498
Transportation equipment (business vehicles)	2,130	840	1,221
	<u>\$ 6,951,197</u>	<u>\$ 7,181,349</u>	<u>\$ 7,432,903</u>
	<u>Three months ended June 30,</u>		
	<u>2021</u>	<u>2020</u>	
	<u>Depreciation expense</u>	<u>Depreciation expense</u>	
Land	\$ 622	\$ 739	
Buildings and structures	120,573	99,280	
Machinery and equipment (private branch exchange)	-	213	
Transportation equipment (business vehicles)	159	235	
	<u>\$ 121,354</u>	<u>\$ 100,467</u>	
	<u>Six months ended June 30,</u>		
	<u>2021</u>	<u>2020</u>	
	<u>Depreciation expense</u>	<u>Depreciation expense</u>	
Land	\$ 1,244	\$ 1,480	
Buildings and structures	241,235	195,577	
Machinery and equipment (private branch exchange)	71	426	
Transportation equipment (business vehicles)	325	446	
	<u>\$ 242,875</u>	<u>\$ 197,929</u>	

C. For the three months and six months ended June 30, 2021 and 2020, the additions to right-of-use assets and lease liabilities were \$14,172, \$1,949,888, \$14,723 and \$1,953,995, respectively.

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

		Three months ended June 30,	
		2021	2020
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	31,949	\$ 25,306
Expense on short-term lease contracts		939	876
Expense on leases of low-value assets		206	134
Expense on variable lease payments		-	-
Profit from lease modification		8	39
		Six months ended June 30,	
		2021	2020
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	64,338	\$ 49,394
Expense on short-term lease contracts		1,830	1,898
Expense on leases of low-value assets		343	344
Expense on variable lease payments		-	-
Profit from lease modification		13	53

E. For the three months and six months ended June 30, 2021 and 2020, the Group's total cash outflow for leases amounted to \$145,595, \$116,918, \$291,173 and \$234,286, respectively.

F. Variable lease payments

- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to volume of business generated from a business area. For business areas, up to 1.57% of lease payments are on the basis of variable payment terms and are accrued based on the revenue. Variable payment terms are used for a variety of reasons, including additional revenue exceeding the base revenue, and rental income is calculated based on an agreed upon rate of revenue. Various lease payments that depend on revenue are recognised in profit or loss in the period in which the event or condition that triggers those payments occur.
- (b) A 10% increase in the aggregate revenue of all business areas with such variable lease contracts would increase total lease payments by approximately 9.33%.

G. Extension and termination options

- (a) Extension options are included in approximately 92.91% 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.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including offices, dormitories, long-term rental suites and parking lot. Rental contracts are typically made for periods ranging from 0.5 and 23 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure leased assets, the lessee may be asked that leased assets may not be used as security for borrowing purposes or cannot be lent, subleased, sold or granted in any different form to the third parties by the lessors.
- B. Gain arising from operating lease agreements for the three months and six months ended June 30, 2021 and 2020 are as follows:

	Three months ended June 30,	
	2021	2020
Rent income	\$ 119,568	\$ 116,818
Rent income arising from variable lease payments	\$ 5,259	\$ 6,659
	Six months ended June 30,	
	2021	2020
Rent income	\$ 236,141	\$ 230,059
Rent income arising from variable lease payments	\$ 20,663	\$ 21,096

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

	June 30, 2021
July 1, 2021 to June 30, 2022	\$ 348,120
July 1, 2022 to June 30, 2026	376,083
After July 1, 2027	98,847
	<u>\$ 823,050</u>
	June 30, 2020
July 1, 2020 to June 30, 2021	\$ 368,123
July 1, 2021 to June 30, 2025	578,023
After July 1, 2026	220,810
	<u>\$ 1,166,956</u>

(11) Investment property

- A. Details of book values are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	\$ 207,077	\$ 207,077	\$ 221,203
Leased assets-land	2,597,557	2,600,824	2,599,704
Leased assets-buildings	2,724,304	2,774,309	2,819,151
	<u>\$ 5,528,938</u>	<u>\$ 5,582,210</u>	<u>\$ 5,640,058</u>

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

Six months ended June 30, 2021					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 207,077	\$ -	\$ -	\$ -	\$ 207,077
Leased assets - land	2,600,824	-	(3,267)	-	2,597,557
Leased assets - buildings	3,958,822	-	(9,994)	-	3,948,828
	<u>\$ 6,766,723</u>	<u>\$ -</u>	<u>(\$ 13,261)</u>	<u>\$ -</u>	<u>\$ 6,753,462</u>
Six months ended June 30, 2020					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	\$ 265,550	\$ -	\$ -	(\$ 44,347)	\$ 221,203
Leased assets - land	2,599,740	-	(36)	-	2,599,704
Leased assets - buildings	3,964,263	-	(2,720)	-	3,961,543
	<u>\$ 6,829,553</u>	<u>\$ -</u>	<u>(\$ 2,756)</u>	<u>(\$ 44,347)</u>	<u>\$ 6,782,450</u>
Six months ended June 30, 2021					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	<u>\$ 1,184,513</u>	<u>\$ 42,721</u>	<u>(\$ 2,710)</u>	<u>\$ -</u>	<u>\$ 1,224,524</u>
Six months ended June 30, 2020					
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	<u>\$ 1,100,219</u>	<u>\$ 42,869</u>	<u>(\$ 696)</u>	<u>\$ -</u>	<u>\$ 1,142,392</u>

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

Three months ended June 30,		
	2021	2020
Rental revenue from the lease of the investment property	<u>\$ 111,167</u>	<u>\$ 111,812</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 38,175</u>	<u>\$ 35,647</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ -</u>	<u>\$ -</u>
Six months ended June 30,		
	2021	2020
Rental revenue from the lease of the investment property	<u>\$ 223,800</u>	<u>\$ 222,326</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 75,142</u>	<u>\$ 72,475</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ -</u>	<u>\$ -</u>

D. As of June 30, 2021, December 31, 2020 and June 30, 2020, the fair value of the investment property held by the Group was \$12,538,819, \$12,578,033 and \$12,621,767, respectively. The Group management estimated the fair value based on market evidence on transaction price of similar property and assessed value. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy.

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

(12) Intangible assets

A. Details of book values are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Service concession	\$ 1,963,549	\$ 1,994,175	\$ 2,024,802
Software	3,094	2,601	2,053
	<u>\$ 1,966,643</u>	<u>\$ 1,996,776</u>	<u>\$ 2,026,855</u>

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

Six months ended June 30, 2021					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	6,949	1,363	-	-	8,312
	<u>\$ 2,875,321</u>	<u>\$ 1,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,876,684</u>
Six months ended June 30, 2020					
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 2,868,372	\$ -	\$ -	\$ -	\$ 2,868,372
Software	6,787	942	(1,515)	-	6,214
	<u>\$ 2,875,159</u>	<u>\$ 942</u>	<u>(\$ 1,515)</u>	<u>\$ -</u>	<u>\$ 2,874,586</u>
Six months ended June 30, 2021					
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 874,197	\$ 30,626	\$ -	\$ -	\$ 904,823
Software	4,348	870	-	-	5,218
	<u>\$ 878,545</u>	<u>\$ 31,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,041</u>
Six months ended June 30, 2020					
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	\$ 812,944	\$ 30,626	\$ -	\$ -	\$ 843,570
Software	5,288	388	(1,515)	-	4,161
	<u>\$ 818,232</u>	<u>\$ 31,014</u>	<u>(\$ 1,515)</u>	<u>\$ -</u>	<u>\$ 847,731</u>

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

	Three months ended June 30,	
	2021	2020
Operating costs	\$ 15,313	\$ 15,313
Administrative expenses	444	208
	<u>\$ 15,757</u>	<u>\$ 15,521</u>
	Six months ended June 30,	
	2021	2020
Operating costs	\$ 30,626	\$ 30,626
Administrative expenses	870	388
	<u>\$ 31,496</u>	<u>\$ 31,014</u>

(13) Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank borrowings	\$ 280,000	\$ 1,185,000	\$ 1,609,000
Secured bank borrowings	-	130,000	130,000
	<u>\$ 280,000</u>	<u>\$ 1,315,000</u>	<u>\$ 1,739,000</u>
Interest rate range	<u>0.70%~1.75%</u>	<u>1.10%~1.80%</u>	<u>1.31%~1.80%</u>

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

(14) Short-term notes and bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial papers	\$ 70,000	\$ 50,000	\$ 350,000
Less: Unamortized discount	-	-	(170)
	<u>\$ 70,000</u>	<u>\$ 50,000</u>	<u>\$ 349,830</u>
Interest rate range	<u>1.30%~1.40%</u>	<u>1.40%</u>	<u>0.60%~1.40%</u>

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

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

(15) Bonds payable

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
2017 1st secured ordinary bonds payable	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
2018 1st secured ordinary bonds payable	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
	4,500,000	4,500,000	4,500,000
Less: Current portion	(<u>2,000,000</u>)	<u>-</u>	<u>-</u>
	<u>\$ 2,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>

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

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

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

(c) Coupon rate: 1.05%

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

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

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

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

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

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

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

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

(c) Coupon rate: 0.84%

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

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

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

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

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

(16) Long-term borrowings

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Secured bank borrowings	\$ 4,645,879	\$ 7,153,667	\$ 8,041,256
Unsecured bank borrowings	<u>610,000</u>	<u>740,000</u>	<u>342,800</u>
	5,255,879	7,893,667	8,384,056
Less: Current portion	(<u>688,510</u>)	(<u>989,177</u>)	(<u>2,037,977</u>)
	<u>4,567,369</u>	<u>6,904,490</u>	<u>6,346,079</u>
Commerical papers	-	800,000	920,000
Less: Unamortized discount	-	(<u>430</u>)	(<u>510</u>)
	<u>-</u>	<u>799,570</u>	<u>919,490</u>
	<u>\$ 4,567,369</u>	<u>\$ 7,704,060</u>	<u>\$ 7,265,569</u>
Range of maturity dates	<u>2022.08.14~2027.11.02</u>	<u>2021.07.01~2027.11.02</u>	<u>2020.07.10~2027.11.02</u>
Range of interest rates	<u>1.33%~1.79%</u>	<u>0.40%~2.15%</u>	<u>0.40%~2.15%</u>

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

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

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

(17) Provisions - replacement cost

	<u>2021</u>	<u>2020</u>
At January 1	\$ 113,024	\$ 102,554
Additions	24,199	19,788
Used	(<u>10,809</u>)	(<u>12,646</u>)
At June 30	<u>\$ 126,414</u>	<u>\$ 109,696</u>

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

(18) Pension

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$169, \$232, \$338 and \$464 for the three months and six months ended June 30, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to \$2,842.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plans of the Company for the three months and six months ended June 30, 2021 and 2020 were \$14,404, \$12,979, \$28,377 and \$27,887, respectively.

(19) Share capital

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

(Units: in thousand shares)

	2021	2020
Shares at January 1 and June 30	<u>1,622,671</u>	<u>1,622,671</u>

- B. As of June 30, 2021, 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 June 30, 2021, December 31, 2020 and June 30, 2020, the Company's subsidiary, Prince Apartment Management Maintain Co., Ltd., held the Company's stocks to maintain equity interest in the Company. The amount of shares held by the subsidiary was all 655 thousand shares, the average par value was all NT\$1.53 per share, and the fair value was NT\$11.90, NT\$11.50 and NT\$10.10 per share, respectively.

(20) Capital surplus

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

	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
2021				
At January 1, 2021 (At June 30, 2021)	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513
	Capital surplus			
	Share premium	Treasury share transaction	Others	Total
2020				
At January 1, 2020 (At June 30, 2020)	\$ 1,375,442	\$ 877,839	\$ 7,232	\$ 2,260,513

(21) Retained earnings

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

C. The Company recognised dividends distributed to owners amounting to \$811,663 (\$0.50 (in dollars) per share) for the six months ended June 30. On August 5, 2021, the shareholders resolved that total dividends for the distribution of earnings for 2020 was \$649,330 at \$0.4 (in dollars) per share.

(22) Other equity items

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2021	\$ 1,242,305	(\$ 48)	\$ 1,242,257
Revaluation - gross	537,060	-	537,060
At June 30, 2021	<u>\$ 1,779,365</u>	<u>(\$ 48)</u>	<u>\$ 1,779,317</u>
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2020	\$ 876,538	(\$ 48)	\$ 876,490
Revaluation - gross	310,023	-	310,023
At June 30, 2020	<u>\$ 1,186,561</u>	<u>(\$ 48)</u>	<u>\$ 1,186,513</u>

(23) Maturity analysis of assets and liabilities

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

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>June 30, 2021</u>			
Assets			
Notes receivable, net	\$ 61,793	\$ -	\$ 61,793
Accounts receivable, net (including related parties)	256,728	280,128	536,856
Contract assets	39,179	104,620	143,799
Inventories	<u>7,386,005</u>	<u>6,790,633</u>	<u>14,176,638</u>
	<u>\$ 7,743,705</u>	<u>\$ 7,175,381</u>	<u>\$ 14,919,086</u>
Liabilities			
Contract liabilities	\$ 469,399	\$ 166,111	\$ 635,510
Notes payable	770,358	662,739	1,433,097
Long-term notes and accounts payable	<u>-</u>	<u>11,456</u>	<u>11,456</u>
	<u>\$ 1,239,757</u>	<u>\$ 840,306</u>	<u>\$ 2,080,063</u>

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>December 31, 2020</u>			
Assets			
Notes receivable, net	\$ 19,390	\$ 180	\$ 19,570
Accounts receivable, net (including related parties)	686,429	260,227	946,656
Contract assets	85,881	114,901	200,782
Inventories	<u>5,194,285</u>	<u>11,460,827</u>	<u>16,655,112</u>
	<u>\$ 5,985,985</u>	<u>\$ 11,836,135</u>	<u>\$ 17,822,120</u>
Liabilities			
Contract liabilities	\$ 461,026	\$ 253,259	\$ 714,285
Notes payable	955,500	738,481	1,693,981
Long-term notes and accounts payable	<u>-</u>	<u>11,456</u>	<u>11,456</u>
	<u>\$ 1,416,526</u>	<u>\$ 1,003,196</u>	<u>\$ 2,419,722</u>

	<u>Within 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
<u>June 30, 2020</u>			
Assets			
Notes receivable, net	\$ 10,282	\$ 67,887	\$ 78,169
Accounts receivable, net (including related parties)	520,809	116,890	637,699
Contract assets	35,976	103,688	139,664
Inventories	<u>8,995,135</u>	<u>9,938,774</u>	<u>18,933,909</u>
	<u>\$ 9,562,202</u>	<u>\$ 10,227,239</u>	<u>\$ 19,789,441</u>
Liabilities			
Contract liabilities	\$ 346,874	\$ 310,199	\$ 657,073
Notes payable	1,940	-	1,940
Accounts payable	614,179	978,738	1,592,917
Long-term notes and accounts payable	<u>-</u>	<u>11,456</u>	<u>11,456</u>
	<u>\$ 962,993</u>	<u>\$ 1,300,393</u>	<u>\$ 2,263,386</u>

(24) Operating revenue

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers	\$ 2,553,195	\$ 2,056,266
Other - rental revenue	<u>124,827</u>	<u>123,477</u>
	<u>\$ 2,678,022</u>	<u>\$ 2,179,743</u>

	Six months ended June 30,	
	2021	2020
Revenue from contracts with customers	\$ 5,653,367	\$ 4,560,941
Other - rental revenue	256,804	251,155
	<u>\$ 5,910,171</u>	<u>\$ 4,812,096</u>

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

<u>Three months ended</u> <u>June 30, 2021</u>	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	<u>\$ 1,743,243</u>	<u>\$ 475,353</u>	<u>\$ 187,266</u>	<u>\$ 70,193</u>	<u>\$ 77,140</u>	<u>\$ 2,553,195</u>
Timing of revenue recognition						
At a point in time	\$ 1,743,243	\$ -	\$ -	\$ -	\$ -	\$ 1,743,243
Over time	-	475,353	187,266	70,193	77,140	809,952
	<u>\$ 1,743,243</u>	<u>\$ 475,353</u>	<u>\$ 187,266</u>	<u>\$ 70,193</u>	<u>\$ 77,140</u>	<u>\$ 2,553,195</u>

<u>Three months ended</u> <u>June 30, 2020</u>	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	<u>\$ 810,551</u>	<u>\$ 941,054</u>	<u>\$ 163,666</u>	<u>\$ 65,115</u>	<u>\$ 75,880</u>	<u>\$ 2,056,266</u>
Timing of revenue recognition						
At a point in time	\$ 810,551	\$ -	\$ -	\$ -	\$ -	\$ 810,551
Over time	-	941,054	163,666	65,115	75,880	1,245,715
	<u>\$ 810,551</u>	<u>\$ 941,054</u>	<u>\$ 163,666</u>	<u>\$ 65,115</u>	<u>\$ 75,880</u>	<u>\$ 2,056,266</u>

<u>Six months ended</u> <u>June 30, 2021</u>	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	<u>\$ 3,837,532</u>	<u>\$ 987,848</u>	<u>\$ 535,763</u>	<u>\$ 135,415</u>	<u>\$ 156,809</u>	<u>\$ 5,653,367</u>
Timing of revenue recognition						
At a point in time	\$ 3,837,532	\$ -	\$ -	\$ -	\$ -	\$ 3,837,532
Over time	-	987,848	535,763	135,415	156,809	1,815,835
	<u>\$ 3,837,532</u>	<u>\$ 987,848</u>	<u>\$ 535,763</u>	<u>\$ 135,415</u>	<u>\$ 156,809</u>	<u>\$ 5,653,367</u>

<u>Six months ended</u> <u>June 30, 2020</u>	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	<u>\$ 1,984,519</u>	<u>\$ 1,769,100</u>	<u>\$ 516,483</u>	<u>\$ 125,042</u>	<u>\$ 165,797</u>	<u>\$ 4,560,941</u>
Timing of revenue recognition						
At a point in time	\$ 1,984,519	\$ -	\$ -	\$ -	\$ -	\$ 1,984,519
Over time	-	1,769,100	516,483	125,042	165,797	2,576,422
	<u>\$ 1,984,519</u>	<u>\$ 1,769,100</u>	<u>\$ 516,483</u>	<u>\$ 125,042</u>	<u>\$ 165,797</u>	<u>\$ 4,560,941</u>

B. Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of June 30, 2021, December 31, 2020 and June 30, 2020 are as follows:

	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
June 30, 2021	2021~2024	\$ 5,148,066
December 31, 2020	2021~2024	4,883,160
June 30, 2020	2020~2021	2,628,569

C. Contract assets and liabilities

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

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>	<u>January 1, 2020</u>
Contract assets:				
Contract assets - construction contracts	\$ 143,799	\$ 200,782	\$ 139,664	\$ 340,826
Contract liabilities:				
Contract liabilities	\$ 470,094	\$ 458,386	\$ 346,874	\$ 496,296
- buildings and land sales contracts				
Contract liabilities - construction contracts	165,416	255,899	310,199	225,508
Contract liabilities - Hotel operation contracts	129,489	142,814	116,564	146,767
Contract liabilities - BOT business	19,660	59,851	19,169	53,969
	<u>\$ 784,659</u>	<u>\$ 916,950</u>	<u>\$ 792,806</u>	<u>\$ 922,540</u>

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

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	\$ 61,461	\$ 57,827
Hotel operation contracts	2	22
	<u>\$ 61,463</u>	<u>\$ 57,849</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	\$ 442,027	\$ 447,814
Construction contracts	255,899	225,508
Hotel operation contracts	142,345	145,542
BOT business	59,851	53,969
	<u>\$ 900,122</u>	<u>\$ 872,833</u>

D. The amortisation amounts recognised for the three months ended June 30, 2021 and 2020 relating to the incremental costs of obtaining contracts (deferred sales commissions which were shown as other current assets) for the three months and six months ended June 30, 2021 and 2020 were \$0, \$650,\$0 and \$690, respectively.

(25) Interest income

	Three months ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 1,897	\$ 3,210
Other interest income	229	516
	<u>\$ 2,126</u>	<u>\$ 3,726</u>
	Six months ended June 30,	
	2021	2020
Interest income from bank deposits	\$ 3,739	\$ 6,065
Other interest income	424	1,053
	<u>\$ 4,163</u>	<u>\$ 7,118</u>

(26) Other income

	Three months ended June 30,	
	2021	2020
Dividend income	\$ 84,390	\$ 39
Government grant revenue (Note)	15,762	43,342
Payables transferred to other income	13,648	93,634
Income from confiscated guarantee due to a default	-	400
Insurance claims income	1,800	-
Other income	7,179	11,443
	<u>\$ 122,779</u>	<u>\$ 148,858</u>
	Six months ended June 30,	
	2021	2020
Dividend income	\$ 85,211	\$ 39
Government grant revenue (Note)	35,382	43,342
Payables transferred to other income	31,163	94,550
Income from confiscated guarantee due to a default	-	400
Compensation for road expropriation	8,695	-
Insurance claims income	1,800	-
Other income	21,212	21,036
	<u>\$ 183,463</u>	<u>\$ 159,367</u>

Note: The Group's hotel segment is eligible for the "Directions for Tourism Bureau to Subsidize Employee Salaries of Tourist Hotels and Hotels" from the Tourism Bureau, M.O.T.C., whereby the Group recognised government grant revenue arising from subsidies for wages and salaries.

(27) Other gains and losses

	Three months ended June 30,	
	2021	2020
Net gains on financial assets at fair value through profit or loss	\$ 447,410	\$ 162,356
Gains on disposals of property, plant and equipment (including investment property)	12,385	1,926
Net currency exchange gain	9	12
Others	20	(200)
	<u>\$ 459,824</u>	<u>\$ 164,094</u>
	Six months ended June 30,	
	2021	2020
Net gains on financial assets at fair value through profit or loss	\$ 1,099,810	\$ 120,610
Gains on disposals of property, plant and equipment (including investment property)	2,534	27,415
Net currency exchange gain	9	116
Others	(2)	141
	<u>\$ 1,102,351</u>	<u>\$ 148,282</u>

(28) Finance costs

	Three months ended June 30,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 29,313	\$ 46,402
Lease liability	31,949	25,306
Commercial papers	1,058	6,089
Ordinary bonds	22,367	23,160
Others	112	141
Other finance expenses	300	300
	85,099	101,398
Less : Capitalization of qualifying assets	(14,283)	(27,520)
	<u>\$ 70,816</u>	<u>\$ 73,878</u>

	Six months ended June 30,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 64,922	\$ 106,859
Lease liability	64,338	49,394
Commercial papers	4,956	11,862
Ordinary bonds	44,078	44,711
Others	943	1,213
Other finance expenses	600	600
	179,837	214,639
Less : Capitalization of qualifying assets	(28,255)	(63,386)
	<u>\$ 151,582</u>	<u>\$ 151,253</u>

(29) Expenses by nature

	Three months ended June 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 141,342	\$ 183,552	\$ 324,894
Labor and health insurance fees	15,095	16,385	31,480
Pension costs	7,259	7,314	14,573
Directors' remuneration	-	28,518	28,518
Other employee benefit expense	4,671	8,593	13,264
	<u>\$ 168,367</u>	<u>\$ 244,362</u>	<u>\$ 412,729</u>
Depreciation charges	<u>\$ 21,423</u>	<u>\$ 173,608</u>	<u>\$ 195,031</u>
Amortization charges	<u>\$ 15,313</u>	<u>\$ 444</u>	<u>\$ 15,757</u>
	Three months ended June 30, 2020		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 147,003	\$ 90,158	\$ 237,161
Labor and health insurance fees	13,518	15,108	28,626
Pension costs	6,856	6,355	13,211
Directors' remuneration	-	6,687	6,687
Other employee benefit expense	1,681	6,159	7,840
	<u>\$ 169,058</u>	<u>\$ 124,467</u>	<u>\$ 293,525</u>
Depreciation charges	<u>\$ 21,502</u>	<u>\$ 161,112</u>	<u>\$ 182,614</u>
Amortization charges	<u>\$ 15,313</u>	<u>\$ 208</u>	<u>\$ 15,521</u>

Six months ended June 30, 2021			
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 283,727	\$ 378,014	\$ 661,741
Labor and health insurance fees	30,425	30,431	60,856
Pension costs	14,651	14,064	28,715
Directors' remuneration	-	61,074	61,074
Other employee benefit expense	14,784	14,757	29,541
	<u>\$ 343,587</u>	<u>\$ 498,340</u>	<u>\$ 841,927</u>
Depreciation charges	<u>\$ 42,721</u>	<u>\$ 350,330</u>	<u>\$ 393,051</u>
Amortization charges	<u>\$ 30,626</u>	<u>\$ 870</u>	<u>\$ 31,496</u>

Six months ended June 30, 2020			
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 304,677	\$ 211,672	\$ 516,349
Labor and health insurance fees	29,101	28,962	58,063
Pension costs	14,556	13,795	28,351
Directors' remuneration	-	8,606	8,606
Other employee benefit expense	8,436	11,790	20,226
	<u>\$ 356,770</u>	<u>\$ 274,825</u>	<u>\$ 631,595</u>
Depreciation charges	<u>\$ 42,869</u>	<u>\$ 319,601</u>	<u>\$ 362,470</u>
Amortization charges	<u>\$ 30,626</u>	<u>\$ 388</u>	<u>\$ 31,014</u>

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

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

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

- B. For the three months and six months ended June 30, 2021 and 2020, employees' compensation was accrued at \$77,304, \$13,134, \$167,300 and \$13,134, respectively; while directors' remuneration was accrued at \$26,299, \$4,468, \$56,916 and \$4,468, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the percentage as prescribed in the Company's Articles of Incorporation and distributable profit of current period for the six months ended June 30, 2021.

Employees' compensation and directors' remuneration of 2019 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2019 financial statements. The employees' compensation will be distributed in the form of cash, and the employees' compensation for the year ended December 31, 2020 has yet to be distributed. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense (benefit)

Components of income tax expense (benefit):

	Three months ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 52,636	(\$ 29,719)
Tax on undistributed surplus earnings	-	2,109
Over provision of prior year's income tax	(9,021)	(3,549)
Land value increment tax recognised in income tax for the period	5,388	3,415
Total current tax	49,003	(27,744)
Deferred tax:		
Origination and reversal of temporary differences	222	39,706
Loss carryforward	(31,803)	(36,587)
Total deferred tax	(31,581)	3,119
Income tax expense (benefit)	\$ 17,422	(\$ 24,625)
	Six months ended June 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 117,537	(\$ 20,096)
Tax on undistributed surplus earnings	-	2,109
Over provision of prior year's income tax	(9,021)	(3,549)
Land value increment tax recognised in income tax for the period	11,602	11,953
Total current tax	120,118	(9,583)
Deferred tax:		
Origination and reversal of temporary differences	(88)	43,895
Loss carryforward	(54,569)	(57,845)
Total deferred tax	(54,657)	13,950
Income tax expense (benefit)	\$ 65,461	(\$ 23,533)

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(31) Earnings per share

Three months ended June 30, 2021			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>Amount after tax</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 764,769</u>	<u>1,622,671</u>	<u>\$ 0.47</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 764,769	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>6,496</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 764,769</u>	<u>1,629,167</u>	<u>\$ 0.47</u>
Three months ended June 30, 2020			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>Amount after tax</u>		
Profit attributable to ordinary shareholders of the parent	<u>\$ 125,332</u>	<u>1,622,671</u>	<u>\$ 0.08</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 125,332	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,300</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 125,332</u>	<u>1,623,971</u>	<u>\$ 0.08</u>

Six months ended June 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,597,033</u>	<u>1,622,671</u>	<u>\$ 0.98</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,597,033	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>17,557</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,597,033</u>	<u>1,640,228</u>	<u>\$ 0.97</u>
Six months ended June 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 107,230</u>	<u>1,622,671</u>	<u>\$ 0.07</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 107,230	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>6,109</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 107,230</u>	<u>1,628,780</u>	<u>\$ 0.07</u>

(32) Supplemental cash flow information

Investing and financing activities with no cash flow effects:

	Six months ended June 30,	
	2021	2020
Prepayment transferred to property, plant and equipment	\$ 332	\$ -
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	\$ -	\$ 29,420
Investment properties transferred to land held for constuction site	\$ -	\$ 45,501
Property, plant and equipment transferred to investment properties	\$ -	\$ 1,154
Declared cash dividends not yet distributed	\$ -	\$ 811,663
Bonds payable transferred to long-term liabilities, current portion	\$ 2,000,000	\$ -

(33) Changes in liabilities from financing activities

	January 1, 2021	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	June 30, 2021
Short-term borrowings	\$ 1,315,000	(\$ 1,035,000)	\$ -	\$ 280,000
Short-term notes and bills payable	50,000	20,000	-	70,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	8,693,237	(3,437,358)	-	5,255,879
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	160,581	22,185	-	182,766
Lease liability	7,861,183	(224,662)	12,710	7,649,231
Liabilities from financing activities - gross	\$ 23,388,302	(\$ 4,654,835)	\$ 12,710	\$ 18,746,177

	January 1, 2020	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	June 30, 2020
Short-term borrowings	\$ 1,979,000	(\$ 240,000)	\$ -	\$ 1,739,000
Short-term notes and bills payable	99,925	249,905	-	349,830
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	12,155,924	(2,852,378)	-	9,303,546
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	148,959	31,182	-	180,141
Lease liability	6,279,197	(182,650)	1,948,492	8,045,039
Dividends payable	-	-	811,663	811,663
Liabilities from financing activities - gross	\$ 25,971,306	(\$ 2,993,941)	\$ 2,760,155	\$ 25,737,520

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

7. RELATED PARTY TRANSACTIONS

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

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

(2) Significant related party transactions and balances

A. Sales of goods:

(a)

	Three months ended June 30,	
	2021	2020
Construction subcontracting:		
— Other related parties	\$ 2,828	\$ 434
	Six months ended June 30,	
	2021	2020
Construction subcontracting:		
— Other related parties	\$ 3,106	\$ 1,594

The contract prices of construction for related parties are based on expected construction cost plus reasonable management expenses and profit, and are determined based on mutual agreements. The construction payments are collected based on the contract terms. As of June 30, 2021, December 31, 2020 and June 30, 2020, the status of the construction for the related parties undertaken by the Group was as follows:

Other related parties:	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Total amount of construction contracts that were signed but had not been settled yet	\$ 59,341	\$ 4,286	\$ 241,418
Construction payments received	(6,350)	(2,952)	(241,087)
Construction payments receivable	<u>\$ 52,991</u>	<u>\$ 1,334</u>	<u>\$ 331</u>

(b)

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Rental income:		
— President Chain Store Corp.	\$ 13,379	\$ 13,430
— Other related parties	4,160	4,090
	<u>\$ 17,539</u>	<u>\$ 17,520</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Rental income:		
— President Chain Store Corp.	\$ 26,759	\$ 26,772
— Other related parties	8,338	8,145
	<u>\$ 35,097</u>	<u>\$ 34,917</u>

Rent is determined by mutual agreements and is collected monthly.

B. Accounts payable

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Other related parties	<u>\$ 4,304</u>	<u>\$ 4,049</u>	<u>\$ 4,257</u>

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

(b) Lease liabilities

i. Outstanding balance:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Lease liabilities			
- current:			
Uni-President			
Development Corp.	\$ 329,314	\$ 325,845	\$ 321,688
President International			
Development Corp.	<u>25,007</u>	<u>24,732</u>	<u>24,460</u>
	<u>\$ 354,321</u>	<u>\$ 350,577</u>	<u>\$ 346,148</u>
	<u>June 30, 2020</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Lease liabilities			
- non-current:			
Uni-President			
Development Corp.	\$ 5,205,382	\$ 5,370,684	\$ 5,534,715
President International			
Development Corp.	<u>20,192</u>	<u>32,764</u>	<u>45,199</u>
	<u>\$ 5,225,574</u>	<u>\$ 5,403,448</u>	<u>\$ 5,579,914</u>

ii. Interest expense:

	<u>Three months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest expense:		
Uni-President Development Corp.	\$ 21,239	\$ 22,458
President International Development Corp,	<u>273</u>	<u>407</u>
	<u>\$ 21,512</u>	<u>\$ 22,865</u>
	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Interest expense:		
Uni-President Development Corp.	\$ 42,786	\$ 45,217
President International Development Corp,	<u>579</u>	<u>847</u>
	<u>\$ 43,365</u>	<u>\$ 46,064</u>

D. Others:

	June 30, 2021	December 31, 2020	June 30, 2020
Refundable deposits:			
Uni-President Development Corp.	\$ 68,526	\$ 68,076	\$ 67,961

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.

(3) Key management compensation

	Three months ended June 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 32,204	\$ 33,997
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 32,204</u>	<u>\$ 33,997</u>
	Six months ended June 30,	
	2021	2020
Salaries and other short-term employee benefits	\$ 39,136	\$ 40,641
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>\$ 39,136</u>	<u>\$ 40,641</u>

8. PLEDGED ASSETS

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

Pledged asset	June 30, 2021	December 31, 2020	June 30, 2020	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	\$ 746,777	\$ 817,206	\$ 1,002,965	Performance guarantee, short-term and long-term borrowings.
Financial assets at fair value through profit or loss	79,813	79,712	274,052	Long-term borrowings
Land held for construction site	582,620	3,528,125	3,528,125	Short-term borrowings, notes and bills payable and long-term borrowings
Construction in progress	13,006	840,748	724,099	Short-term borrowings, notes and bills payable and long-term borrowings
Financial assets at fair value through other comprehensive income	1,566,424	1,293,634	1,366,984	Issued long-term notes and bills
Investments accounted for under equity method	1,126,503	1,136,641	1,112,596	Short-term borrowings, notes and bills payable
Land	2,792,444	2,792,444	2,792,444	Short-term borrowings, notes and bills payable and long-term borrowings
Buildings	1,733,867	1,761,640	1,789,412	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	4,814,425	4,846,528	4,878,932	Short-term borrowings, notes and bills payable and long-term borrowings
	<u>\$ 13,455,879</u>	<u>\$ 17,096,678</u>	<u>\$ 17,469,609</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

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

	June 30, 2021		December 31, 2020		June 30, 2020	
	Total endorsement		Total endorsement		Total endorsement	
Name of company	amount	Amount drawn	amount	Amount drawn	amount	Amount drawn
The Splendor Hotel Taichung(Note)	\$ 1,950,000	\$ 1,850,000	\$ 1,875,000	\$ 1,875,000	\$ 2,100,000	\$ 1,900,000

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:

	June 30, 2021		December 31, 2020		June 30, 2020	
	Total endorsement		Total endorsement		Total endorsement	
Name of company	amount	Amount drawn	amount	Amount drawn	amount	Amount drawn
Prince Real Estate Co., Ltd.	\$ -	\$ -	\$ 800,000	\$ 800,000	\$ 1,352,085	\$ 1,352,085

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

		June 30, 2021		December 31, 2020		June 30, 2020	
	Subsidiaries being endorsed/guaranteed	Total endorsement		Total endorsement		Total endorsement	
Name of company		amount	Amount drawn	amount	Amount drawn	amount	Amount drawn
Prince Apartment Management	Prince Security	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Maintain Co., Ltd.	Co., Ltd.						

D. The accumulated operating losses of the subsidiary, the Splendor Hotel Taichung, had exceeded 50% of its paid-in capital and its current liabilities were greater than its current assets. The Company was committed to provide the endorsement and guarantees for all Splendor Hotel's borrowings in its ownership proportion of 50%.

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

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Property, plant and equipment	\$ <u>8,032</u>	\$ <u>3,246</u>	\$ <u>8,147</u>

(3) Operating lease agreement :

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

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

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

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

B. A party should give B party a performance guarantee of \$60,000 for the construction on the signing date and \$30,000 for operations before the start of operation. As of June 30, 2021, December 31, 2020 and June 30, 2020, 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 June 30, 2021, December 31, 2020 and June 30, 2020, A party had provided performance guarantee with a guarantee letter issued by the bank, amounting to \$10,000, \$10,000 and \$20,000, respectively.
 - C. During the operation period, A party should pay B party dormitory operating royalties based on the specified proportion of annual operating revenue of the dormitories and auxiliary facilities operating royalties based on the specified proportion of annual operating revenue of the auxiliary facilities. A party should pay such operating royalties for prior year before the end of June every year. Further, according to the superficies contract signed by the two parties, A party should pay B party land rentals from the registration of superficies.
 - D. All rights acquired by A party under the contract, except for other conditions specified in the contract and approved by B party, should not be transferred, leased, registered as a liability/obligation or become an executed object of civil litigation.
- (7) The Company signed a syndicated loan contract with 7 banks - Mega International Commercial Bank as the lead bank for a credit line of \$2.16 billion. The syndicated loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of dormitories in Changxing St. Campus and Shuiyuan Campus of National Taiwan University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year, based on the Company’s audited annual non-consolidated financial statements. If the Company violates the above financial commitments, it shall improve its financial position by capital increase or other ways before the end of October of the following year from the year of violation; it would not be regarded as a default if the managing bank confirms that its financial position has improved

completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the managing bank to the completion date of financial improvement or to the date the Company gains the relief from the consortium for its violation.

- (8) The Company signed a loan contract with Mega International Commercial Bank for a credit line of \$785 million. The loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of student dormitories and alumnus hall of National Cheng Kung University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year. Current ratio and liability ratio shall be reviewed based on the Company's audited annual non-consolidated financial statements, and interest coverage based on the Company's revenue and expenditure table for the related project. If the Company violates the above financial commitments, it shall improve its financial position by capital increase or other ways before the end of October of the following year from the year of violation; it would not be regarded as a default if the bank confirms that its financial position has improved completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the bank to the completion date of financial improvement or to the date the Company obtains a waiver from the bank for its violation.
- (9) 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:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
5 tracts of lands including Nanzi Dist., Kaohsiung City Nanzi 1st Section No. 158 etc	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 55,210</u>

- (10) As of June 30, 2021, December 31, 2020 and June 30, 2020, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta-Chen Construction & Engineering Corp., amounted to \$516,325, \$569,693 and \$216,534, respectively.
- (11) 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.
- (12) 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; 2) cancel all or part of the credit line of the contract which has not been drawn down yet; 3) announce that all outstanding principal, interest and other accrued expenses payable to the consortium in relation to the loan contract should mature immediately; 4) inform the managing bank of the demand for subsidiary's payment of the promissory note acquired under the loan contract; 5) inform the managing bank to exercise creditor's right of mortgage; 6) exercise contract transfer right, or other rights given by the laws, the loan contract or other relevant documents; 7) take other actions as resolved by the majority of the consortium.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The shareholders have resolved the distribution of earnings for 2020 on August 5, 2021. Please refer to Note 6(21) for more details.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,390,635	\$ 1,798,369	\$ 1,891,538
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	2,775,226	2,246,407	2,190,644
Financial assets at amortised cost			
Cash and cash equivalents	2,780,635	5,406,601	3,697,909
Financial assets at amortised cost	1,480,592	1,733,793	1,894,268
Notes receivable	66,734	25,934	83,187
Accounts receivable (including related parties)	585,250	1,030,235	707,999
Other receivables	45,222	84,537	57,477
Refundable deposits	126,897	113,575	166,538
	<u>\$ 12,251,191</u>	<u>\$ 12,439,451</u>	<u>\$ 10,689,560</u>
	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 280,000	\$ 1,315,000	\$ 1,759,000
Short-term notes and bills payable	70,000	50,000	349,830
Notes payable	497	306	2,529
Accounts payable	1,469,737	1,798,011	1,656,407
Other payables	625,174	718,474	1,222,482
Corporate bonds payable (including current portion)	4,500,000	4,500,000	4,500,000
Long-term borrowings (including current portion)	5,255,879	8,693,237	9,303,546
Long-term notes and accounts payable	808,301	808,301	808,301
Guarantee deposits received	182,766	160,581	180,141
	<u>\$ 13,192,354</u>	<u>\$ 18,043,910</u>	<u>\$ 19,782,236</u>
Lease liability	<u>\$ 7,649,231</u>	<u>\$ 7,861,183</u>	<u>\$ 8,045,039</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. Shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the six months ended June 30, 2021 and 2020 would have increased/decreased by \$439,064 and \$189,154, 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 \$277,523 and \$219,064, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk mainly arose from short-term and long-term (excluding commercial papers) borrowings issued at variable rates and exposed the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at floating rate were calculated by NTD, if interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, profit before tax for the six months ended June 30, 2021 and 2020 would have been \$5,536 and \$10,123 lower/higher, respectively.

(b) Credit risk

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

Accounts receivable and contract assets

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

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

	Without past due	Up to 30 days past due	Over 31-60 days	Over 61-90 days	Over 90 days	Total
<u>June 30, 2021</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 584,876	\$ -	\$ 203	\$ -	\$ 469	\$ 585,548
Loss allowance	-	-	-	-	298	298
<u>December 31, 2020</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 1,025,772	\$ 2,631	\$ 1,686	\$ 5	\$ 445	\$ 1,030,539
Loss allowance	-	-	-	-	304	304
<u>June 30, 2020</u>						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	\$ 707,774	\$ -	\$ -	\$ -	\$ 4,448	\$ 712,222
Loss allowance	-	-	-	-	4,223	4,223

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

	2021	2020
	Accounts receivable	Accounts receivable
At January 1	\$ 304	\$ 4,460
Provision for (reversal of) impairment loss	459 (	237)
Derecognised	(465)	-
At June 30	\$ 298	\$ 4,223

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

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

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance and Accounting Division. Group's Finance and Accounting Division monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	June 30, 2021		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 280,764	\$ -	\$ -
Short-term notes and bills payable	70,000	-	-
Notes payable	497	-	-
Accounts payable	806,997	662,740	-
Other payables	620,043	4,811	320
Lease liability	573,065	1,109,754	7,041,561
Guarantee deposits received	105,606	54,233	22,927
Bonds payable (including current portion)	2,042,000	2,521,000	-
Long-term borrowings (including current portion)	699,029	4,068,156	681,795
Long-term notes and accounts payable	-	-	808,301

	December 31, 2020		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,325,227	\$ -	\$ -
Short-term notes and bills payable	50,000	-	-
Notes payable	306	-	-
Accounts payable	1,059,529	738,481	-
Other payables	710,848	4,421	3,205
Lease liability	568,649	1,110,223	7,319,965
Guarantee deposits received	97,878	38,453	24,250
Bonds payable (including current portion)	42,000	4,542,000	-
Long-term borrowings (including current portion)	1,004,686	5,076,767	3,540,525
Long-term notes and accounts payable	-	-	808,301

	June 30, 2020		
	Within 1 year	Between 1 to 3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 1,744,086	\$ -	\$ -
Short-term notes and bills payable	350,000	-	-
Notes payable	2,480	29	20
Accounts payable	677,669	977,572	1,166
Other payables	1,215,169	6,993	320
Lease liability	533,468	1,116,067	7,600,074
Guarantee deposits received	111,209	14,115	54,817
Bonds payable (including current portion)	42,000	2,084,000	2,500,000
Long-term borrowings (including current portion)	2,102,835	3,799,526	3,724,413
Long-term notes and accounts payable (including related parties)	-	-	808,301

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

(3) Fair value information

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

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

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

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

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

C. Financial instruments not measured at fair value

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

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2021, December 31, 2020 and June 30, 2020 are as follows:

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

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 4,390,635	\$ -	\$ -	\$ 4,390,635
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,737,597</u>	<u>-</u>	<u>1,037,629</u>	<u>2,775,226</u>
	<u>\$ 6,128,232</u>	<u>\$ -</u>	<u>\$ 1,037,629</u>	<u>\$ 7,165,861</u>
 <u>December 31, 2020</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,798,369	\$ -	\$ -	\$ 1,798,369
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,184,373</u>	<u>-</u>	<u>1,062,034</u>	<u>2,246,407</u>
	<u>\$ 2,982,742</u>	<u>\$ -</u>	<u>\$ 1,062,034</u>	<u>\$ 4,044,776</u>
 <u>June 30, 2020</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,891,538	\$ -	\$ -	\$ 1,891,538
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,216,521</u>	<u>-</u>	<u>974,123</u>	<u>2,190,644</u>
	<u>\$ 3,108,059</u>	<u>\$ -</u>	<u>\$ 974,123</u>	<u>\$ 4,082,182</u>

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

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

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

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- E. For the six months ended June 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2021 and 2020:

	2021	2020
	Non-derivative equity instruments	Non-derivative equity instruments
At January 1	\$ 1,062,034	\$ 993,958
Loss recognised in other comprehensive income (Note)	(24,405)	(19,835)
At June 30	<u>\$ 1,037,629</u>	<u>\$ 974,123</u>

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

- G. For the six months ended June 30, 2021 and 2020, there was no transfer into or out from Level 3.
- H. Finance and Accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently assessing valuation results and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,037,629	Market comparable companies	Price-earnings ratio, price to book ratio and price to sales ratio multiplier	1.21- 35.80	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 1,062,034	Market comparable companies	Price-earnings ratio, price to book ratio and price to sales ratio multiplier	1.21- 35.80	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable
	Fair value at June 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	\$ 974,123	Market comparable companies	Price-earnings ratio, price to book ratio and price to sales ratio multiplier	0.86- 18.99	The higher the weighted average cost of capital, the lower the fair value
		Net asset value	Not applicable		Not applicable

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

		June 30, 2021				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Input	Change					
Financial assets						
Equity instruments	1,037,629 ±1%	\$ -	\$ -	\$ 10,376	(\$ 10,376)	
		December 31, 2020				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Input	Change					
Financial assets						
Equity instruments	1,062,034 ±1%	\$ -	\$ -	\$ 10,620	(\$ 10,620)	
		June 30, 2020				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Input	Change					
Financial assets						
Equity instruments	974,123 ±1%	\$ -	\$ -	\$ 9,741	(\$ 9,741)	

- (4) The outbreak of the COVID-19 pandemic in January 2020 has impacted the occupancy rate of hotels as the number of visitors to Taiwan significantly declined. The Group has taken countermeasures by strengthening employee health management and continually focusing on the situation of the pandemic to mitigate the impact on its operations. However, the extent of actual impact would depend on the subsequent development of the pandemic.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

(3) Information about segment profit or loss, assets and liabilities

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

Item	Six months ended June 30, 2021				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 4,825,380	\$ 804,444	\$ 280,347	\$ -	\$ 5,910,171
Internal operating revenue-net	26,939	-	36,571	(63,510)	-
Total segment revenue	4,852,319	804,444	316,918		5,910,171
Costs and expenses	(4,277,593)	(1,074,700)	(207,774)	103,139	(5,456,928)
Segment income	574,726	(270,256)	109,144		453,243
Interest income	3,352	1,707	705	(1,601)	4,163
Other income	140,954	42,511	2,583	(2,585)	183,463
Other gains and losses	1,102,782	(258)	(173)	-	1,102,351
Finance costs	(60,999)	(92,124)	(68)	1,609	(151,582)
Share of profit of associates and joint ventures accounted for under the equity method	903,984	-	15,440	(898,537)	20,887
Income (loss) from continuing operations before tax	2,664,799	(318,420)	127,631		1,612,525
Income tax (expense) benefit	(119,389)	54,580	(652)	-	(65,461)
Net income (loss) for the period	<u>\$ 2,545,410</u>	<u>(\$ 263,840)</u>	<u>\$ 126,979</u>		<u>\$ 1,547,064</u>
Segment assets	<u>\$ 40,122,179</u>	<u>\$13,417,026</u>	<u>\$ 939,300</u>	(5,384,439)	<u>\$49,094,066</u>
Segment liabilities	<u>\$ 10,450,007</u>	<u>\$12,782,765</u>	<u>\$ 54,787</u>	(702,979)	<u>\$22,584,580</u>

Item	Six months ended June 30, 2020				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	\$ 3,753,619	\$ 772,075	\$ 286,402	\$ -	\$ 4,812,096
Internal operating revenue-net	<u>113,764</u>	<u>-</u>	<u>35,377</u>	(149,141)	<u>-</u>
Total segment revenue	3,867,383	772,075	321,779		4,812,096
Costs and expenses	(3,879,379)	(992,742)	(211,912)	129,186	(4,954,847)
Segment income	(11,996)	(220,667)	109,867	-	(142,751)
interest income	8,303	2,916	1,353	(5,454)	7,118
Other income	113,891	45,544	2,665	(2,733)	159,367
Other gains and losses	148,269	92	(79)	-	148,282
Finance costs	(79,569)	(77,053)	(104)	5,473	(151,253)
Share of (loss) profit of associates and joint ventures accounted for under the equity method	(79,432)	-	11,847	77,071	9,486
Income (loss) from continuing operations before tax	99,466	(249,168)	125,549		30,249
Income tax (expense) benefit	(25,276)	50,345	(1,536)	-	23,533
Net income (loss) for the period	<u>\$ 74,190</u>	<u>(\$ 198,823)</u>	<u>\$ 124,013</u>		<u>\$ 53,782</u>
Segment assets	<u>\$ 42,454,404</u>	<u>\$ 14,388,281</u>	<u>\$ 898,883</u>	(4,622,019)	<u>\$ 53,119,549</u>
Segment liabilities	<u>\$ 16,928,705</u>	<u>\$ 13,114,307</u>	<u>\$ 56,696</u>	(676,421)	<u>\$ 29,423,287</u>

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

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

Prince Housing & Development Corp.
Loans to others
Six months ended June 30, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2021	Balance at June 30, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	financing	Collateral			Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Allowance for accounts	Item	Value			
1	Ta-Chen Construction & Engineering Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	100,000	\$ -	\$ -	2.7	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 500,000	\$ 900,027	Note 2
2	Cheng-Shi Construction Co., Ltd.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	86,000	-	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	89,085	89,085	Note 3
3	Times Square International Investment Holdings Co., Ltd.	Time Square International Co., Ltd.	Other receivables - related parties	Y	70,000	70,000	-	2.7	Short-term financing	-	Additional operating capital	-	None	-	87,955	87,955	Note 4

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

Note 2: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in 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 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 4: Times Square International Investment Holdings Co., Ltd. limit on loans granted to a single party and ceiling on total loans granted 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 Company's net worth.

Prince Housing & Development Corp.
Provision of endorsements and guarantees to others
Six months ended June 30, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2021	Outstanding endorsement/ guarantee amount at June 30, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name													
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung		6	\$ 5,267,266	\$ 2,125,000	\$ 1,950,000	\$ 1,850,000	\$ -	7%	\$ 13,168,165	Y	N	N	Note 3
1	Prince Real Estate Co., Ltd.	Prince Housing & Development Corp.		3	2,500,000	800,000	-	-	-	0%	5,000,000	N	Y	N	Note 4
2	Prince Apartment Management Maintain Co., Ltd.	Prince Security Co., Ltd.		4	20,000	10,000	10,000	10,000	-	22%	50,000	N	N	N	Note 5

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.

Prince Housing & Development Corp.
Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)
June 30, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

					As of June 30, 2021				
Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	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	\$ 1,085,576	Note 1	\$ 143.50	Listed company, Note 2
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	610,213	Note 1	25.85	Listed company, Note 3
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	27,409	Note 1	359.00	OTC company
	Stock	Universal Venture Capital Investment Corp.	None	Non-current financial assets at fair value through other comprehensive income	1,400,000	11,340	Note 1	8.10	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	934	Note 1	19.19	
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	344,488	1,347	Note 1	3.91	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,648,563	106,151	Note 1	64.39	
	Stock	Southern Science Joint Development .	None	Non-current financial assets at fair value through other comprehensive income	10,000	1,566	10.00%	156.58	
	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	10,800	311	6.00%	28.79	
	Stock	President International Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	87,745,770	779,690	6.63%	8.89	Note 4
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	79,813	-	12.67	Note 5
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	41,536,582	700,182	-	16.86	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	19,929,969	252,042	-	12.65	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,080,321	300,627	-	14.97	
	Fund	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,269,203	201,893	-	16.46	
	Fund	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss - current	18,218,255	250,082	-	13.73	
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	18,855,452	301,221	-	15.98	
Ta-Chen Construction & Engineering Corp.	Stock	Nantex Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	13,327,483	1,912,493	Note 1	143.50	Listed company
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	349,990	1,369	Note 1	3.91	
	Stock	Nanmat Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,848,857	119,048	5.40%	64.39	
Cheng-Shi Construction Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,934,225	100,000	-	16.86	
Prince Utility Co., Ltd.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,780,268	30,000	-	16.86	
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	7,537	Note 1	11.90	Listed company
	Stock	Tainan Spinning Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	122,201	1,833	Note 1	29.55	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	15,873	Note 1	64.39	
Prince Property Management Consulting Co., Ltd.	Fund	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,172,949	24,000	-	11.12	
Times Square International Stays Corp.	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,197,463	20,180	-	16.86	
	Fund	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,952,008	40,320	-	13.66	
Prince Real Estate Co., Ltd.	Stock	Nantex Industry Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	194,282	11,871	Note 1	143.50	Listed company
	Stock	Sung Gang Asset Management Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,968	695	Note 1	14.60	OTC company
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	11,874,873	177,782	-	14.97	

Note 1: Percentage of Company's ownership is less than 5%.
Note 2: 4,088 thousand shares of outstanding common stock were used as collateral for loan.
Note 3: 17,276 thousand shares of outstanding common stock were used as collateral for loan.
Note 4: 60,000 thousand shares of outstanding common stock were used as collateral for loan.
Note 5: 6,301 thousand units of outstanding common stock were used as collateral for loan.

Prince Housing & Development Corp.
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Six months ended June 30, 2021

Table 4

Table 4														Expressed in thousands of NTD (Except as otherwise indicated)	
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	with the investor (Note 2)	Balance as at January 1, 2021		Addition (Note 3)		Disposal (Note 3)				Balance as at June 30, 2021		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain on disposal	Number of shares	Amount	
Prince Housing & Development Corp.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	41,536,582	\$ 700,000	-	\$ -	\$ -	\$ -	41,536,582	\$ 700,000	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.
Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.
Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Prince Housing & Development Corp.
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
Six months ended June 30, 2021

Table 5

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:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Prince Housing & Development Corp.	Ren Wu Dist. Xia Hai Lot No. 978, etc.	2013/06/14 (Note 1)	Note 2	\$ 1,175,285	Redevelopment zone of Xia Hai Term, Renwu District, Kaohsiung City	Third party	-	-	-	\$ -	Note 2	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 June 30, 2021, the Company has already paid \$1,175,285.

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.

Prince Housing & Development Corp.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
June 30, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2021	Turnover rate	Overdue		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Prince Housing & Development Corp.	The Splendor Hotel Taichung	Subsidiary	Other assets - obligation receivable \$ 575,000	-	\$ -	-	\$ -	\$ -

Prince Housing & Development Corp.
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction							
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Prince Housing & Development Corp.	Cheng-Shi Construction Co., Ltd.	The Company to the consolidated subsidiaries	Construction in progress	321,200	-	0.65%
0	Prince Housing & Development Corp.	Prince Utility Co., Ltd.	The Company to the consolidated subsidiaries	Construction in progress	171,100	-	0.35%
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung	The Company to the consolidated subsidiaries	Endorsement and guarantee	1,950,000	In accordance with endorsement and guarantee procedures	3.97%
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung	The Company to the consolidated subsidiaries	Other assets - obligation receivables	575,000	Creditor's rights purchase contract	1.17%

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

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

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

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

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

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

Prince Housing & Development Corp.
Information on investees
Six months ended June 30, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	\$ 1,146,925	\$ 1,146,925	116,105,000	100%	\$ 2,391,606	\$ 1,150,701	\$ 1,187,730	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100%	258,204	2,836	2,883	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30%	294,943	(32,277)	(9,683)	
	Prince Housing Investment Co., Ltd.	British Virgin Islands	Overseas investment	140,413	140,413	428	100%	577,057	18,075	18,075	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30%	1,126,503	63,763	19,129	Note 4
	The Splendor Hotel Taichung	Taiwan	Hotels and catering	975,000	975,000	97,500,000	50%	170,540	(99,939)	(49,969)	Note 2
	Jin Yi Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(297,651)	1	1	Note 2
	Ming-Da Enterprise Co., Ltd.	Taiwan	Real estate trading	37,378	37,378	200,000	20%	-	-	-	Note 5
	Prince Industrial Co., Ltd.	Taiwan	Development of public housing and building	10,000	10,000	1,000,000	100%	9,276	(27)	(27)	Note 2
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	688,439	155	151	Notes 1 and 2
Cheng-Shi Investment Holdings Co., Ltd	Times Square International Investment Holdings Co., Ltd.	Taiwan	General investment	607,270	607,270	79,800,000	100%	293,182	(260,285)	(260,306)	Notes 2
	Ta-Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	90,497,528	100%	2,250,069	1,163,867	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100%	46,080	(3,479)	-	Notes 2 and 3
Prince Housing Investment Co., Ltd.	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100%	212,800	(8,254)	-	Notes 2 and 3
	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	19,435	21,713	-	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	393,546	34,844	-	Note 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2021			Net profit (loss) of the investee for the six months ended June 30, 2021	Investment income (loss) recognised by the Company for the six months ended June 30, 2021	Footnote
				Balance as at June 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Taiwan	Management of apartments	\$ 67,853	\$ 67,853	3,000,000	100%	\$ 41,336	\$ 1,408	\$ -	Notes 2 and 3
	Prince Security Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100%	169,338	1,513	-	Notes 2 and 3
Princre Real Estate Co., Ltd.	Amida Trustlink Assets Management Co., Ltd.	Taiwan	Development of public housing and building	304,289	304,289	21,525,020	45.21%	(139,754)	(303)	-	Note 3
Time Square International Investment Holdings Co., Ltd	Time Square International Co., Ltd.	Taiwan	Hotels and catering	443,270	443,270	53,000,000	100.00%	82,731	(182,972)	-	Notes 2 and 3
	Times Square International Stays Corp.	Taiwan	Hotels and catering	430,000	430,000	42,000,000	100.00%	206,608	(77,255)	-	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.

Note 5: The liquidation of the investee was completed on May 31, 2021.

Prince Housing & Development Corp.

Major shareholders information

June 30, 2021

Table 9

Name of major shareholders	Shares	Ownership (%)
	Number of shares held	
Uni-President Enterprises Corp.	162,743,264	10.03%
Taipo Investment Co., Ltd.	100,961,587	6.22%