PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

SEPTEMBER 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 September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" 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

The financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors whose statements reflect total assets of NT$9,791,478 thousand and NT$10,150,731 thousand, constituting 20% and 19% of the consolidated total assets, and total liabilities of NT$6,564,110 thousand and NT$6,712,508 thousand, constituting 28% and 24% of the consolidated total liabilities as at September 30, 2021 and 2020, and total comprehensive loss of NT($80,952) thousand, NT($60,621) thousand, NT($213,279) thousand and NT($182,668) thousand, constituting 9%, (88%), (18%) and (42%) of the consolidated total comprehensive (loss) income for the three months and nine 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$10,599 thousand, NT$35,968 thousand, NT$31,486 thousand and NT$45,454 thousand for the three months and nine 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$1,700,641 thousand and NT$1,722,736 thousand as at September 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 September 30, 2021 and 2020, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Wang, Kuo-Hua   Tien, Chung-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

November 4, 2021

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

	Assets	Notes	September 30, 2021		December 31, 2020		September 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 4,697,597	10	$ 5,406,601	10	$ 4,756,606	9
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	2,809,223	6	904,348	2	738,960	2
1136	Current financial assets at amortised cost	6(4) and 8	528,264	1	960,960	2	1,074,808	2
1140	Current contract assets	6(24) and 7	143,233	-	200,782	1	173,516	1
1150	Notes receivable, net	6(5)	59,230	-	25,934	-	74,095	-
1170	Accounts receivable, net	6(5)	548,858	1	1,026,186	2	623,415	1
1180	Accounts receivable - related parties	6(5) and 7	4,826	-	4,049	-	4,212	-
1200	Other receivables		28,077	-	84,537	-	68,393	-
1220	Current income tax assets		-	-	24,189	-	17,473	-
130X	Inventory, net	6(6) and 8	13,250,597	27	16,678,009	32	17,796,545	34
1410	Prepayments		104,248	-	101,098	-	103,907	-
1479	Other current assets	6(24)	5,582	-	3,381	-	28,094	-
11XX	**Current Assets**		22,179,735	45	25,420,074	49	25,460,024	49
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,297,982	3	894,021	2	744,681	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 8	2,345,029	5	2,246,407	4	2,032,663	4
1535	Non-current financial assets at amortised cost	6(4) and 8	628,921	1	772,833	1	696,514	1
1550	Investments accounted for under equity method	6(7) and 8	1,840,395	4	1,864,597	4	1,862,147	4
1600	Property, plant and equipment, net	6(8) and 8	5,700,372	12	5,835,171	11	5,991,181	12
1755	Right-of-use assets	6(9)	6,828,588	14	7,181,349	14	7,303,064	14
1760	Investment property, net	6(11) and 8	5,506,507	11	5,582,210	11	5,616,623	11
1780	Intangible assets, net	6(12)	1,951,230	4	1,996,776	4	2,012,233	4
1840	Deferred income tax assets		265,127	1	176,995	-	156,967	-
1920	Refundable deposits	7 and 9	126,216	-	113,575	-	116,510	-
1990	Other non-current assets		74,822	-	81,406	-	101,117	-
15XX	**Non-current assets**		26,565,189	55	26,745,340	51	26,633,700	51
1XXX	**Total assets**		$ 48,744,924	100	$ 52,165,414	100	$ 52,093,724	100

(Continued)

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

			September 30, 2021		December 31, 2020		September 30, 2020	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	$ 1,149,000	2	$ 1,315,000	3	$ 1,611,000	3
2110	Short-term notes and bills payable	6(14) and 8	120,000	-	50,000	-	90,000	-
2130	Current contract liabilities	6(24) and 7	913,562	2	916,950	2	1,046,231	2
2150	Notes payable		1,287	-	306	-	3,262	-
2170	Accounts payable		1,569,177	3	1,798,011	3	1,540,715	3
2200	Other payables		577,279	1	718,474	1	662,628	1
2230	Current income tax liabilities		188,243	1	123,422	-	49,737	-
2280	Current lease liabilities	7	445,356	1	442,471	1	415,971	1
2310	Receipts in advance		61,351	-	44,413	-	73,512	-
2320	Long-term liabilities, current portion	6(15)(16) and 8	2,803,510	6	989,177	2	1,030,177	2
2399	Other current liabilities		83,224	-	76,741	-	85,272	-
21XX	**Current Liabilities**		7,911,989	16	6,474,965	12	6,608,505	12
	Non-current liabilities							
2530	Bonds payable	6(15)	2,500,000	5	4,500,000	9	4,500,000	9
2540	Long-term borrowings	6(16) and 8	4,587,369	10	7,704,060	15	8,034,988	15
2550	Provisions for liabilities - non-current	6(17)	132,063	-	113,024	-	110,106	-
2570	Deferred income tax liabilities		298,084	1	298,084	1	298,099	1
2580	Non-current lease liabilities	7	7,083,512	15	7,418,712	14	7,522,995	15
2610	Long-term notes and accounts payable		808,301	2	808,301	2	808,301	2
2640	Net defined benefit liability - non-current		61,301	-	67,490	-	66,734	-
2645	Guarantee deposits received		189,882	-	160,581	-	184,704	-
2670	Other non-current liabilities	6(7)	194,708	-	194,835	-	194,132	-
25XX	**Non-current liabilities**		15,855,220	33	21,265,087	41	21,720,059	42
2XXX	**Total Liabilities**		23,767,209	49	27,740,052	53	28,328,564	54
	Equity attributable to owners of parent							
	Share capital	6(19)						
3110	common stock		16,233,261	33	16,233,261	31	16,233,261	31
	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		2,232,892	4	2,153,743	4	2,153,743	4
3350	Unappropriated retained earnings		2,754,170	6	2,313,465	4	1,858,923	3
	Other equity interest	6(22)						
3400	Other equity interest		1,349,221	3	1,242,257	2	1,028,532	2
3500	Treasury stocks	6(19)	(1,003)	-	(1,003)	-	(1,003)	-
31XX	**Equity attributable to owners of the parent**		24,829,054	51	24,202,236	46	23,533,969	45
36XX	Non-controlling interest		148,661	-	223,126	1	231,191	1
3XXX	**Total equity**		24,977,715	51	24,425,362	47	23,765,160	46
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 48,744,924	100	$ 52,165,414	100	$ 52,093,724	100

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

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

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

			Three months ended September 30				Nine months ended September 30			
			2021		2020		2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(24) and 7	$ 2,435,987	100	$ 2,911,587	100	$ 8,346,158	100	$ 7,723,683	100
5000	Operating costs	6(6)(12)(29)	(1,872,673)	(77)	(2,344,565)	(81)	(6,203,255)	(74)	(6,455,388)	(84)
5900	Gross profit		563,314	23	567,022	19	2,142,903	26	1,268,295	16
	Operating expenses	6(12)(29)								
6100	Selling expenses		(68,284)	(3)	(161,537)	(5)	(215,703)	(3)	(279,478)	(3)
6200	General & administrative expenses		(294,079)	(12)	(426,660)	(15)	(1,272,547)	(15)	(1,152,980)	(15)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	25	-	91	-	(434)	-	328	-
6000	Total operating expenses		(362,338)	(15)	(588,106)	(20)	(1,488,684)	(18)	(1,432,130)	(18)
6900	Operating profit (loss)		200,976	8	(21,084)	(1)	654,219	8	(163,835)	(2)
	Non-operating income and expenses									
7100	Interest income	6(25)	1,122	-	2,310	-	5,285	-	9,428	-
7010	Other income	6(3)(26)	198,765	8	167,206	6	382,228	5	326,573	4
7020	Other gains and losses	6(2)(27)	(698,274)	(29)	144,250	5	404,077	5	292,532	4
7050	Finance costs	6(6)(28) and 7	(80,149)	(3)	(85,612)	(3)	(231,731)	(3)	(236,865)	(3)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	10,599	1	35,968	1	31,486	-	45,454	1
7000	Total non-operating income and expenses		(567,937)	(23)	264,122	9	591,345	7	437,122	6
7900	**Profit (loss) before income tax**		(366,961)	(15)	243,038	8	1,245,564	15	273,287	4
7950	Income tax expense	6(30)	(86,754)	(4)	(16,159)	-	(152,215)	(2)	7,374	-
8200	**Profit (loss) for the period**		($ 453,715)	(19)	$ 226,879	8	$ 1,093,349	13	$ 280,661	4
	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)	($ 428,726)	(17)	($ 157,981)	(6)	$ 108,334	1	$ 152,042	2
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(428,726)	(17)	(157,981)	(6)	108,334	1	152,042	2
8300	**Total other comprehensive income (loss)for the period**		($ 428,726)	(17)	($ 157,981)	(6)	$ 108,334	1	$ 152,042	2
8500	**Total comprehensive income (loss) for the period**		($ 882,441)	(36)	$ 68,898	2	$ 1,201,683	14	$ 432,703	6
	Profit (loss), attributable to:									
8610	Owners of the parent		($ 429,219)	(18)	$ 229,716	8	$ 1,167,814	14	$ 336,946	5
8620	Non-controlling interest		(24,496)	(1)	(2,837)	-	(74,465)	(1)	(56,285)	(1)
			($ 453,715)	(19)	$ 226,879	8	$ 1,093,349	13	$ 280,661	4
	Comprehensive income attributable to:									
8710	Owners of the parent		($ 857,945)	(35)	$ 71,735	2	$ 1,276,148	15	$ 488,988	7
8720	Non-controlling interest		(24,496)	(1)	(2,837)	-	(74,465)	(1)	(56,285)	(1)
			($ 882,441)	(36)	$ 68,898	2	$ 1,201,683	14	$ 432,703	6
	Earnings (loss) per share (in dollars)	6(31)								
9750	Basic earnings (loss) per share		($ 0.26)		$ 0.14		$ 0.72		$ 0.21	
9850	Diluted earnings (loss) per share		($ 0.26)		$ 0.14		$ 0.72		$ 0.21	

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

		Equity attributable to owners of the parent									
				Retained Earnings		Other equity interest					
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
Nine months ended September 30, 2020											
Balance at January 1, 2020		$ 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
Profit (loss) for the period	6(31)	-	-	-	336,946	-	-	-	336,946	(56,285)	280,661
Other comprehensive income for the period	6(3)(22)	-	-	-	-	-	152,042	-	152,042	-	152,042
Total comprehensive income (loss) for the period		-	-	-	336,946	-	152,042	-	488,988	(56,285)	432,703
Appropriations and distribution of 2019 earnings:											
Legal reserve		-	-	94,873	(94,873)	-	-	-	-	-	-
Cash dividends	6(21)	-	-	-	(811,663)	-	-	-	(811,663)	-	(811,663)
Change in non-controlling interest		-	-	-	-	-	-	-	-	(692)	(692)
Balance at September 30, 2020		$ 16,233,261	$ 2,260,513	$ 2,153,743	$ 1,858,923	($ 48)	$ 1,028,580	($ 1,003)	$ 23,533,969	$ 231,191	$ 23,765,160
Nine months ended September 30, 2021											
Balance at January 1, 2021		$ 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
Profit (loss) for the period	6(31)	-	-	-	1,167,814	-	-	-	1,167,814	(74,465)	1,093,349
Other comprehensive income for the period	6(3)(22)	-	-	-	-	-	108,334	-	108,334	-	108,334
Total comprehensive income (loss) for the period		-	-	-	1,167,814	-	108,334	-	1,276,148	(74,465)	1,201,683
Appropriations and distribution of 2020 earnings:											
Legal reserve		-	-	79,149	(79,149)	-	-	-	-	-	-
Cash dividends		-	-	-	(649,330)	-	-	-	(649,330)	-	(649,330)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)(22)	-	-	-	1,370	-	(1,370)	-	-	-	-
Balance at September 30, 2021		$ 16,233,261	$ 2,260,513	$ 2,232,892	$ 2,754,170	($ 48)	$ 1,349,269	($ 1,003)	$ 24,829,054	$ 148,661	$ 24,977,715

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

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

	Notes	Nine months ended September 30 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,245,564	$ 273,287
Adjustments			
Income and expenses having no effect on cash flows			
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(27)	(406,656)	(268,121)
Write-off of uncollectible accounts	12(2)	434	(328)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(31,486)	(45,454)
Loss on disposal of property, plant and equipment	6(27)	(11,992)	(23,494)
Loss on disposal of investment property	6(27)	10,806	(683)
Property, plant and equipment transferred to expenses		881	908
Gain from changes in lease payments arising from the rent concessions	6(9)	(14,407)	(15,041)
Gain arising from lease modification	6(9)	(46)	(174)
Depreciation	6(8)(9)(11)(29)	587,596	565,494
Amortization	6(12)(29)	47,216	46,667
Interest expense	6(28)	230,831	235,965
Interest income	6(25)	(5,285)	(9,428)
Dividend income	6(3)(26)	(139,756)	(97,600)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(1,902,180)	782,565
Current contract assets		57,549	167,310
Notes receivable		(33,296)	(15,754)
Accounts receivable		476,894	128,060
Accounts receivable - related parties		(777)	(516)
Other receivables		91,087	(32,314)
Inventories		3,427,412	2,166,585
Prepayments		5,708	28,281
Other current assets		(2,201)	(24,020)
Other non-current liabilities		5,916	(32,659)
Net changes in liabilities relating to operating activities			
Current contract liabilities		(3,388)	123,691
Notes payable		981	739
Accounts payable		(228,834)	(494,715)
Other payables		(124,638)	(101,544)
Other payables - related parties		-	(83,349)
Receipts in advance		16,938	6,719
Other current liabilities		6,483	40,555
Provisions for liabilities - non-current		19,039	7,552
Net defined benefit liability - non-current		(6,189)	(5,134)
Other non-current liabilities, others		(127)	112
Cash inflow generated from operations		3,320,077	3,324,162
Interest received		5,285	9,428
Cash dividend received		193,444	165,427
Interest paid		(256,801)	(269,758)
Income tax paid		(185,964)	(27,180)
Net cash flows from operating activities		3,076,041	3,202,079

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

	Notes	Nine months ended September 30 2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortised cost-current		$ 432,696	($ 9,965)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	1,471	-
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		143,912	474,364
Proceeds from disposal of investments accounted for under the equity method		2,000	-
Acquisition of property, plant and equipment	6(8)	(31,444)	(150,697)
Proceeds from disposal of property, plant and equipment		18,964	29,612
Proceeds from disposal of investment property		887	4,783
Increase in intangible assets	6(12)	(1,670)	(1,973)
(Increase) decrease in refundable deposits		(12,641)	45,477
Net cash flows from investing activities		562,416	391,601
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(33)	(166,000)	(368,000)
Increase (decrease) in short-term notes and bills payable	6(33)	70,000	(9,925)
Repayment of long-term borrowings	6(33)	(13,812,788)	(25,411,094)
Proceeds from long-term borrowings	6(33)	10,510,430	22,320,335
Increase in guarantee deposits received	6(33)	29,301	35,745
Payments of lease liabilities	6(33)	(329,074)	(265,534)
Cash dividends paid	6(21)	(649,330)	(811,663)
Changes in non-controlling interest		-	(692)
Net cash flows used in financing activities		(4,347,461)	(4,510,828)
Net decrease in cash and cash equivalents		(709,004)	(917,148)
Cash and cash equivalents at beginning of period		5,406,601	5,673,754
Cash and cash equivalents at end of period		$ 4,697,597	$ 4,756,606

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

PRINCE HOUSING & DEVELOPMENT CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 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 November 4, 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	September 30, 2021	December 31, 2020	Description
Prince Housing & Development Corp.	Prince Property Management Consulting Co., Ltd.	Real estate managers	100	100	Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	100	
	Prince Housing Investment Co., Ltd.	Overseas investment	100	100	Note 2
	The Splendor Hotel Taichung	Hotels and catering	50	50	Note 1 and 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	99.65	Note 2
	Prince Industrial Co., Ltd.	Development of public housing and building	100	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68	99.68	Note 2
	Times Square International Holdings Co., Ltd.	General investments	100	100	
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
	Ta-Chen Construction & Engineering Corp.	Construction	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2021	Ownership (%) December 31, 2020	Description
Cheng-Shi Investment Holdings Co., Ltd.	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 (%) September 30, 2020	Description
Prince Housing & Development Corp.	Prince Property Management Consulting Co., Ltd.	Real estate managers	100	Note 2
	Cheng-Shi Investment Holdings Co., Ltd.	General investments	100	
	Prince Housing Investment Co., Ltd.	Overseas investment	100	Note 2
	The Splendor Hotel Taichung	Hotels and catering	50	Note 1 and 2
	Jin-Yi-Xing Plywood Co., Ltd.	Manufacture of plywood	99.65	Note 2
	Prince Industrial Co., Ltd.	Development of public housing and building	100	Note 2
	Prince Real Estate Co., Ltd.	Real estate trading and leasing	99.68	Note 2
	Times Square International Holdings Co., Ltd.	General investments	100	
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Management of apartment	100	Note 2
	Prince Security Co., Ltd.	Security	100	Note 2
Cheng-Shi Investment Holdings Co., Ltd.	Ta-Chen Construction & Engineering Corp.	Construction	100	
	Prince Utility Co., Ltd.	Electricity and water pipe maintenance	100	Note 2
	Cheng-Shi Construction Co., Ltd.	Construction	100	Note 2
Times Square International Holdings Co., Ltd.	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 nine months ended September 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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand and revolving funds	$ 11,856	$ 9,581	$ 8,715
Checking accounts and demand deposits	3,730,088	4,776,962	4,387,891
Time deposits	155,000	60,000	100,000
Repurchase bonds	800,653	560,058	260,000
	$ 4,697,597	$ 5,406,601	$ 4,756,606

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

Items	September 30, 2021	December 31, 2020	September 30, 2020
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 2,799,398	$ 897,218	$ 734,013
Valuation adjustment	9,825	7,130	4,947
	$ 2,809,223	$ 904,348	$ 738,960

Items	September 30, 2021	December 31, 2020	September 30, 2020
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	957,462	553,501	404,161
	$ 1,297,982	$ 894,021	$ 744,681

A. The Group recognised net (losses) gains of ($693,154), $147,511, $406,656 and $268,121 on financial assets at fair value through profit or loss for the three months and nine months September 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	September 30, 2021	December 31, 2020	September 30, 2020
Non-current items:			
Designation of equity instruments			
Listed stocks	$ 115,144	$ 115,144	$ 115,144
Unlisted stocks	884,722	888,151	888,151
	999,866	1,003,295	1,003,295
Valuation adjustments	1,345,163	1,243,112	1,029,368
	$ 2,345,029	$ 2,246,407	$ 2,032,663

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 $2,345,029, $2,246,407 and $2,032,663 as at September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

B. Aiming to adjust its investment strategies, the Group sold $1,471 of unlisted stocks at fair value and resulted in cumulative gains on disposal of $1,370 during the nine months ended September 30, 2021.

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

	Three months ended September 30,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 428,726)	($ 157,981)
Cumulative gains reclassified to retained earnings due to derecognition	$ 1,370	$ -
Dividend income recognised in profit or loss held at end of period	$ 54,501	$ 69,574

	Nine months ended September 30,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 108,334	$ 152,042
Cumulative gains reclassified to retained earnings due to derecognition	$ 1,370	$ -
Dividend income recognised in profit or loss held at end of period	$ 86,403	$ 69,613

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

(4) Financial assets at amortised cost

Items	September 30, 2021		December 31, 2020		September 30, 2020	
Current items:						
Time deposits maturing in excess of three months	$	488,679	$	916,587	$	890,303
Trust account		39,585		44,373		184,450
Pledged certificate of deposit		-		-		55
	$	528,264	$	960,960	$	1,074,808
Non-current items:						
Compensating balance	$	467,502	$	536,551	$	498,932
Pledged certificate of deposit		161,419		236,282		197,582
	$	628,921	$	772,833	$	696,514

A. As at September 30, 2021, December 31, 2020 and September 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 $1,157,185, $1,733,793 and $1,771,322, 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

	September 30, 2021		December 31, 2020		September 30, 2020	
Notes receivable	$	59,230	$	25,934	$	74,095
Accounts receivable	$	549,132	$	1,026,490	$	627,547
Less: Allowance for doubtful accounts	(	274)	(	304)	(	4,132)
	$	548,858	$	1,026,186	$	623,415
Accounts receivable - related parties	$	4,826	$	4,049	$	4,212

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

	September 30, 2021		December 31, 2020		September 30, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Without past due	$ 59,230	$ 552,890	$ 25,934	$1,025,772	$ 74,095	$ 628,705
Up to 30 days	-	-	-	2,631	-	31
31 to 60 days	-	554	-	1,686	-	-
61 to 90 days	-	160	-	5	-	-
Over 91 days	-	354	-	445	-	3,023
	$ 59,230	$ 553,958	$ 25,934	$1,030,539	$ 74,095	$ 631,759

The above ageing analysis was based on past due date.

B. As at September 30, 2021, December 31, 2020, September 30, 2020 and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to $546,046, $1,024,767, $627,935 and $769,233, respectively.

C. As at September 30, 2021, December 31, 2020 and September 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 $59,230, $25,934 and $74,095, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $553,684, $1,030,235 and $627,627, respectively.

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

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

(6) Inventories

	September 30, 2021		
	Cost	Allowance for valuation loss	Book value
Land held for construction site	$ 5,586,663	($ 62,573)	$ 5,524,090
Construction in progress	103,305	-	103,305
Buildings and land held for sale	7,383,219	(8,007)	7,375,212
Prepayment for land	228,635	-	228,635
Merchandise	19,355	-	19,355
	$ 13,321,177	($ 70,580)	$ 13,250,597

	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
	$ 16,751,654	($ 73,645)	$ 16,678,009

	September 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	3,233,377	-	3,233,377
Buildings and land held for sale	7,478,853	(12,258)	7,466,595
Prepayment for land	228,635	-	228,635
Prepayment for buildings and land	574,404	-	574,404
Merchandise	22,272	-	22,272
	$ 17,871,498	($ 74,953)	$ 17,796,545

A. The cost of inventories recognised as expense for the three months and nine months ended September 30, 2021 and 2020 was $1,581,731, $2,001,953, $5,251,950 and $5,406,994, respectively, including the amounts of $202, $0, $3,065 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 September 30,	
	2021	2020
Interest paid before capitalization	$ 82,546	$ 106,081
Interest capitalized	$ 2,697	$ 20,769
Annual interest rate used for capitalization	0.74%-2.17%	0.58%-2.06%

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Interest paid before capitalization	$ 261,783	$ 320,120
Interest capitalized	$ 30,952	$ 84,155
Annual interest rate used for capitalization	0.74%-2.23%	0.58%-2.22%

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

(a) Buildings and land in progress

Taipei branch	September 30, 2021	December 31, 2020	September 30, 2020
Bali Dist Chung Chang Section No.222 and 211-1, etc.	$ 689,561	$ 689,427	$ 689,415
Prince Yuan(Ling Ko Li Shing Section No. 1209, etc.)	-	2,123,820	2,070,759
	689,561	2,813,247	2,760,174
Taichung branch			
Beitun Dist. Rong-De Lot No.129, etc.	759,132	759,030	-
Jin Shuei Dist. Wu Show Section No. 1037, No. 1038, No. 1040, etc.	212,263	212,263	212,248
	971,395	971,293	212,248
Tainan branch			
Jin Hua Section No. 1361	689,315	689,315	689,315
Shan Chia Section No. 939, etc.	156,438	156,281	156,269
Others	3,738	3,738	3,738
	849,491	849,334	849,322
Kaohsiung branch			
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
Cozy Prince Mansion (Ren Wu New Hougang West Section No .90, etc.)	-	696,080	642,652
Prince Castle (Building) (Nanzi subsection No. 158, etc.)	-	-	1,731,551
	437,303	1,133,383	2,811,506
Total buildings and land in process	$ 2,947,750	$ 5,767,257	$ 6,633,250

(b)Undeveloped land held for construction site

Taipei branch	September 30, 2021	December 31, 2020	September 30, 2020
Zhong Li Pu Ren Lot No. 720, etc.	$ 140,156	$ 140,156	$ 140,156
Others	5,978	5,978	5,978
	146,134	146,134	146,134
Taichung branch			
Wu Feng Lot No. 365~855 etc.	175,661	175,661	175,661
Song Quan Lot No. 164 etc.	137,697	137,697	137,697
Tu Ku Section No. 9-7, etc.	55,167	55,167	55,167
Song Chang Lot No. 577 etc.	19,912	19,912	19,912
Hou Long Zi Section No. 133-004	19,513	19,513	19,513
Others	11,840	14,461	14,461
	419,790	422,411	422,411

Tainan branch	September 30, 2021	December 31, 2020	September 30, 2020
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	14,550	14,550	14,550
	382,438	382,438	369,465
Kaohsiung branch			
Ren Wu New Hougang West Section No. 53, etc.	905,077	905,077	905,077
Ren Wu New Hougang West Section No. 30 & 52-74	407,357	407,357	407,357
Ren Wu Xiahai Section No. 642, 669 & 940, etc.	41,668	41,668	41,668
Da Hua Lot No. 434 & 436	13,923	13,923	13,923
	1,368,025	1,368,025	1,368,025
Total undeveloped land held for construction site	$ 2,316,387	$ 2,319,008	$ 2,306,035

(c)Buildings and land held for sale

Taipei branch	September 30, 2021	December 31, 2020	September 30, 2020
Prince Yuan	$ 2,333,340	$ -	$ -
Prince Hua Wei	724,512	939,597	939,455
Taipei Shin Yi (Xin Zhuang Fuduxin)	443,694	863,365	1,088,573
Prince W	138,082	138,082	292,367
Prince Pine garden	18,265	106,265	225,063
Prince Da Din	12,025	12,025	12,025
Prince Guo Boa	-	5,738	5,738
Others	-	546	546
	3,669,918	2,065,618	2,563,767
Taichung branch			
Prince Xian Heng	723,298	888,888	1,027,814
Prosperous New World	58,964	789,498	1,175,793
Prince Holiday Mansion	9,058	9,058	9,058
Ching Feng Jin	-	-	20,759
Others	6,118	6,118	6,118
	797,438	1,693,562	2,239,542
Tainan branch			
Word of Peak	208,154	781,168	1,230,097
Prince Flower Bo Five	89,298	309,642	360,705
Jun Chan LV	19,725	19,725	19,725
Prince WIN2 Future	11,837	11,837	41,191
Prince Golden Age	4,145	4,145	5,302
Others	2,292	2,292	2,292
	335,451	1,128,809	1,659,312

Kaohsiung branch	September 30, 2021	December 31, 2020	September 30, 2020
Cozy Prince Mansion	$ 935,128	$ -	$ -
Prince Castle (Building)	819,209	1,937,118	-
Prince Castle (Townhouse)	638,492	1,000,234	1,044,864
Prince Cloud C apartment	25,911	27,536	28,347
Prince Cloud D	22,206	22,206	22,206
Prince Dai Din	5,215	6,518	7,170
	2,446,161	2,993,612	1,102,587
Total buildings and land held for sale	$ 7,248,968	$ 7,881,601	$ 7,565,208

(d)Prepayment for land

	September 30, 2021	December 31, 2020	September 30, 2020
Tainan branch			
Ren Wu New Hougang West Section No. 20, etc.	$ 228,635	$ 228,635	$ 228,635

(e)Prepayment for buildings and land

	September 30, 2021	December 31, 2020	September 30, 2020
Taisugar Nanzi Section	$ -	$ -	$ 574,404

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E. Disclosure of significant constructions:

(a) As of September 30, 2021, significant constructions are set forth below:

Name of construction contract	Contract amount	Estimated construction cost	Percentage of completion	Accumulated construction profit/(loss)
Xinshi Logistics Park (Uni President Express)	$ 4,500,000	$ 4,295,041	0.11%	$ 225
Tai She Zhi Shan Yuan - New construction	2,484,287	2,394,067	94.56%	85,312
Construction of T.S. Landmark Plaza ($1.2 billion)	1,962,547	1,911,716	94.27%	47,918
Chunghwa Telecom-a turnkey project in Nangang	1,955,238	1,876,325	1.77%	1,397
Tainan Metropolitan Expressway	1,689,945	1,614,046	82.40%	62,541
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	28.05%	17,277
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	62.51%	35,984
Urban land consolidation engineering of Bei An commercial district	1,043,280	991,116	1.26%	657
Construction of T.S. Landmark Plaza ($0.8 billion)	1,013,032	984,315	96.93%	27,835

(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 September 30, 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	88.65%	$ 76,202
Chunghwa Telecom - a turnkey project in Nangang	1,955,238	1,857,476	0.04%	39
Construction of T.S. Landmark Plaza ($1.2 billion)	1,792,455	1,745,827	90.16%	42,040
Tainan Metropolitan Expressway	1,689,945	1,614,046	61.54%	46,708
Beitou Shilin Science and Technology Park	1,231,886	1,170,292	0.12%	74
No.3, Zhonglu, Taoyuan City	1,151,305	1,093,740	30.65%	17,644
Construction of T.S. Landmark Plaza ($0.8 billion)	1,050,252	1,019,832	77.92%	23,703

(7) Investments accounted for under the equity method

Name of associates	September 30, 2021 Carrying amount	September 30, 2021 Percentage of ownership	December 31, 2020 Carrying amount	December 31, 2020 Percentage of ownership	September 30, 2020 Carrying amount	September 30, 2020 Percentage of ownership
Geng-Ding Co., Ltd.	$ 282,624	30.00%	$ 304,626	30.00%	$ 307,999	30.00%
Uni-President Development Corp.	1,136,320	30.00%	1,136,641	30.00%	1,123,550	30.00%
PPG Investment Inc.	23,281	27.30%	13,507	27.30%	7,907	27.30%
Queen Holdings Ltd.	398,170	27.30%	401,781	27.30%	397,135	27.30%
Ming-Da Enterprise Co., Ltd. (Note 1)	-	-	8,042	20.00%	25,556	20.00%
Amida Truslink Assets Management Co., Ltd. (Note 2)	-	45.21%	-	45.21%	-	45.21%
	$1,840,395		$ 1,864,597		$ 1,862,147	

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

Note 2: As of September 30, 2021, December 31, 2020 and September 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.		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	$ 191,671	$ 60,122	$ 171,422
Non-current assets	7,177,381	7,463,340	7,559,421
Current liabilities	(2,799,592)	(3,085,745)	(3,078,488)
Non-current liabilities	(781,727)	(648,912)	(907,188)
Total net assets	$ 3,787,733	$ 3,788,805	$ 3,745,167
Share in associate's net assets	$ 1,136,320	$ 1,136,641	$ 1,123,550

Statements of comprehensive income

	Uni President Development Corp.	
	Three months ended September 30,	
	2021	2020
Revenue	$ 222,685	$ 237,740
Profit for the period from continuing operations	$ 32,725	$ 36,514
Total comprehensive income	$ 32,725	$ 36,514
Dividends received from associates	$ 29,680	$ 42,120

	Uni President Development Corp.	
	Nine months ended September 30,	
	2021	2020
Revenue	$ 682,716	$ 650,435
Profit for the period from continuing operations	$ 96,488	$ 64,608
Total comprehensive income	$ 96,488	$ 64,608
Dividends received from associates	$ 29,680	$ 42,120

C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:
As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to $564,321, $588,202 and $599,186, respectively.

	Three months ended September 30,	
	2021	2020
(Loss) profit for the period from continuing operations	($ 1,446)	$ 85,700
Other comprehensive loss, net of tax	-	-
Total comprehensive (loss) income	($ 1,446)	$ 85,700

	Nine months ended September 30,	
	2021	2020
Profit for the period from continuing operations	$ 22,532	$ 92,845
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 22,532	$ 92,845

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

E. The Group's investments accounted for using the equity method expressed herein was solely based on the investees' financial statements of the same reporting periods which were not reviewed by independent auditors. For the three months and nine months ended September 30, 2021 and 2020, the Group recognised share of profit of associates and joint venture accounted for using equity method of $10,599, $35,968, $31,486 and $45,454 and the investments as at September 30, 2021 and 2020, totalled $1,700,641 and $1,722,736, 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	$ 2,850,275	$ 2,853,075	$ 2,853,075
Buildings	2,440,423	2,525,370	2,681,419
Machinery and equipment	2,004	2,807	3,022
Computer and communication equipment	3,521	2,591	1,526
Transportation equipment	1,697	2,305	2,727
Office equipment	218,544	239,839	236,035
Leasehold improvements	128,463	159,483	19,347
Other equipment	50,487	48,433	45,887
Construction in progress and equipment under acceptance	4,958	1,268	148,143
	$ 5,700,372	$ 5,835,171	$ 5,991,181

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

	Nine months ended September 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	122	(4,845)	-	1,915,564
Assets subject to operating leases	1,863,552	-	-	-	1,863,552
Machinery and equipment	16,566	-	-	-	16,566
Computer and communication equipment	61,672	1,699	-	-	63,371
Transportation equipment	10,255	-	(655)	-	9,600
Office equipment	866,506	17,252	(12,958)	668	871,468
Leasehold improvements	836,997	2,916	(99)	-	839,814
Other equipment	98,616	5,572	(179)	(133)	103,876
Construction in progress and equipment under acceptance	1,268	3,883	-	(193)	4,958
	$ 8,528,794	$ 31,444	($ 21,536)	$ 342	$ 8,539,044

	Nine months ended September 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	3,322	(1,349)	5,738	2,656,476
Assets subject to operating leases	1,868,809	-	(5,257)	-	1,863,552
Machinery and equipment	16,631	-	(240)	-	16,391
Computer and communication equipment	60,261	151	(118)	112	60,406
Transportation equipment	12,597	-	(1,000)	-	11,597
Office equipment	851,915	16,293	(33,734)	22,052	856,526
Leasehold improvements	73,533	-	-	-	73,533
Other equipment	94,847	1,141	(962)	-	95,026
Construction in progress and prepayments for equipment	12,074	129,790	(93)	6,372	148,143
	$ 8,494,800	$ 150,697	($ 43,892)	$ 33,120	$ 8,634,725

Accumulated depreciation	Nine months ended September 30, 2021				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	$ 618,853	$ 33,947	($ 1,354)	$ -	$ 651,446
Assets subject to operating leases	639,616	47,631	-	-	687,247
Machinery and equipment	13,759	803	-	-	14,562
Computer and communication equipment	59,081	769	-	-	59,850
Transportation equipment	7,950	500	(547)	-	7,903
Office equipment	626,667	38,853	(12,596)	-	652,924
Leasehold improvements	677,514	33,887	(50)	-	711,351
Other equipment	50,183	3,223	(17)	-	53,389
	$ 2,693,623	$ 159,613	($ 14,564)	$ -	$ 2,838,672

Accumulated depreciation	Nine months ended September 30, 2020				
	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Buildings and structures					
Assets used by the Company	$ 1,130,959	$ 84,706	($ 796)	$ -	$ 1,214,869
Assets subject to operating leases	577,229	47,740	(1,229)	-	623,740
Machinery and equipment	12,375	1,205	(211)	-	13,369
Computer and communication equipment	58,076	922	(118)	-	58,880
Transportation equipment	9,155	715	(1,000)	-	8,870
Office equipment	612,795	41,164	(33,468)	-	620,491
Leasehold improvements	53,191	995	-	-	54,186
Other equipment	45,141	4,042	(44)	-	49,139
	$ 2,498,921	$ 181,489	($ 36,866)	$ -	$ 2,643,544

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:

	September 30, 2021	December 31, 2020	September 30, 2020
	Book value	Book value	Book value
Land	$ 13,954	$ 15,820	$ 15,687
Buildings and structures	6,812,663	7,164,618	7,286,079
Machinery and equipment (private branch exchange)	-	71	284
Transportation equipment (business vehicles)	1,971	840	1,014
	$ 6,828,588	$ 7,181,349	$ 7,303,064

	Three months ended September 30,	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 622	$ 688
Buildings and structures	120,318	120,704
Machinery and equipment (private branch exchange)	-	213
Transportation equipment (business vehicles)	158	207
	$ 121,098	$ 121,812

	Nine months ended September 30,	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 1,866	$ 2,168
Buildings and structures	361,553	316,281
Machinery and equipment (private branch exchange)	71	639
Transportation equipment (business vehicles)	483	653
	$ 363,973	$ 319,741

C. For the three months and nine months ended September 30, 2021 and 2020, the additions to right-of-use assets and lease liabilities were $0, $1,730 $14,723 and $1,955,725, respectively.

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

	Three months ended September 30,			
	2021		2020	
Items affecting profit or loss				
Interest expense on lease liabilities	$	31,511	$	33,181
Expense on short-term lease contracts		868		894
Expense on leases of low-value assets		150		173
Expense on variable lease payments		-		-
Profit from lease modification		33		121

	Nine months ended September 30,			
	2021		2020	
Items affecting profit or loss				
Interest expense on lease liabilities	$	95,849	$	82,575
Expense on short-term lease contracts		2,698		2,792
Expense on leases of low-value assets		493		517
Expense on variable lease payments		-		-
Profit from lease modification		46		174

E. For the three months and nine months ended September 30, 2021 and 2020, the Group’s total cash outflow for leases amounted to $136,941, $117,132, $428,114 and $351,418, 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 1.72% of lease payments are on the basis of variable payment terms and are accrued based on the revenue. Variable payment terms are used for a variety of reasons, including additional revenue exceeding the base revenue, and rental income is calculated based on an agreed upon rate of revenue. Various lease payments that depend on revenue are recognised in profit or loss in the period in which the event or condition that triggers those payments occur.

(b) A 10% increase in the aggregate revenue of all business areas with such variable lease contracts would increase total lease payments by approximately 9.50%.

G. Extension and termination options

(a) Extension options are included in approximately 92.24% of the Group’s lease contracts pertaining to offices, business areas and cafeterias. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.

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

H. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to $14,407 and $15,041 by increasing other income for the nine months ended September 30, 2021 and 2020, respectively.

(10) Leasing arrangements – lessor

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

B. Gain arising from operating lease agreements for the three months and nine months ended September 30, 2021 and 2020 are as follows:

	Three months ended September 30,	
	2021	2020
Rent income	$ 106,552	$ 107,684
Rent income arising from variable lease payments	$ 19,426	$ 19,554

	Nine months ended September 30,	
	2021	2020
Rent income	$ 342,693	$ 337,743
Rent income arising from variable lease payments	$ 40,089	$ 40,650

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

	September 30, 2021
October 1, 2021 to September 30, 2022	$ 399,487
October 1, 2022 to September 30, 2026	572,414
After October 1, 2027	87,795
	$ 1,059,696

	September 30, 2020
October 1, 2020 to September 30, 2021	$ 363,506
October 1, 2021 to September 30, 2025	564,163
After October 1, 2026	152,014
	$ 1,079,683

(11) Investment property

A. Details of book values are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	$ 207,077	$ 207,077	$ 220,049
Leased assets-land	2,597,387	2,600,824	2,600,824
Leased assets-buildings	2,702,043	2,774,309	2,795,750
	$ 5,506,507	$ 5,582,210	$ 5,616,623

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

	Nine months ended September 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	-	(3,437)	-	2,597,387
Leased assets - buildings	3,958,822	-	(11,346)	-	3,947,476
	$ 6,766,723	$ -	($ 14,783)	$ -	$ 6,751,940

	Nine months ended September 30, 2020				
Cost	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Land	$ 265,550	$ -	$ -	($ 45,501)	$ 220,049
Leased assets - land	2,599,740	-	(70)	1,154	2,600,824
Leased assets - buildings	$ 3,964,263	$ -	($ 5,441)	$ -	$ 3,958,822
	$ 6,829,553	$ -	($ 5,511)	($ 44,347)	$ 6,779,695

	Nine months ended September 30, 2021				
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	$ 1,184,513	$ 64,010	($ 3,090)	$ -	$ 1,245,433

	Nine months ended September 30, 2020				
Accumulated depreciation	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Leased assets - buildings	$ 1,100,219	$ 64,264	($ 1,411)	$ -	$ 1,163,072

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

	Three months ended September 30,	
	2021	2020
Rental revenue from the lease of the investment property	$ 115,228	$ 111,429
Direct operating expenses arising from the investment property that generated rental income in the period	$ 35,834	$ 37,879
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Rental revenue from the lease of the investment property	$ 339,028	$ 333,755
Direct operating expenses arising from the investment property that generated rental income in the period	$ 110,976	$ 110,354
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ -	$ -

D. As of September 30, 2021, December 31, 2020 and September 30, 2020, the fair value of the investment property held by the Group was $12,503,023, $12,578,033 and $12,455,704, 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Service concession	$ 1,948,237	$ 1,994,175	$ 2,009,489
Software	2,993	2,601	2,744
	$ 1,951,230	$ 1,996,776	$ 2,012,233

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

	Nine months ended September 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	1,670	-	-	8,619
	$ 2,875,321	$ 1,670	$ -	$ -	$ 2,876,991

	Nine months ended September 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	1,973	(1,998)	-	6,762
	$ 2,875,159	$ 1,973	($ 1,998)	$ -	$ 2,875,134

	Nine months ended September 30, 2021				
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 874,197	$ 45,938	$ -	$ -	$ 920,135
Software	4,348	1,278	-	-	5,626
	$ 878,545	$ 47,216	$ -	$ -	$ 925,761

	Nine months ended September 30, 2020				
Accumulated amortization	Opening net book amount	Additions	Disposals	Reclassifications	Closing net book amount
Service concession	$ 812,944	$ 45,939	$ -	$ -	$ 858,883
Software	5,288	728	(1,998)	-	4,018
	$ 818,232	$ 46,667	($ 1,998)	$ -	$ 862,901

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

	Three months ended September 30,	
	2021	2020
Operating costs	$ 15,312	$ 15,313
Administrative expenses	408	340
	$ 15,720	$ 15,653

	Nine months ended September 30,	
	2021	2020
Operating costs	$ 45,938	$ 45,939
Administrative expenses	1,278	728
	$ 47,216	$ 46,667

(13) Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank borrowings	$ 1,149,000	$ 1,185,000	$ 1,481,000
Secured bank borrowings	-	130,000	130,000
	$ 1,149,000	$ 1,315,000	$ 1,611,000
Interest rate range	0.70%~1.75%	1.10%~1.80%	1.10%~1.79%

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

(14) Short-term notes and bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial papers	$ 120,000	$ 50,000	$ 90,000
Less: Unamortized discount	-	-	-
	$ 120,000	$ 50,000	$ 90,000
Interest rate range	1.39%~1.40%	1.40%	1.36%

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

	September 30, 2021	December 31, 2020	September 30, 2020
2017 1st secured ordinary bonds payable	$ 2,000,000	$ 2,000,000	$ 2,000,000
2018 1st secured ordinary bonds payable	2,500,000	2,500,000	2,500,000
	4,500,000	4,500,000	4,500,000
Less: Current portion	(2,000,000)	-	-
	$ 2,500,000	$ 4,500,000	$ 4,500,000

A. The Group issued secured ordinary bonds payable in September 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 September 2017 based on the coupon rate.

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

(f) Period: 5 years, from September 19, 2017 to September 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 September 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 September 2018 based on the coupon rate.

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

(f) Period: 5 years, from September 15, 2018 to September 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

	September 30, 2021	December 31, 2020	September 30, 2020
Secured bank borrowings	$ 4,585,879	$ 7,153,667	$ 7,765,589
Unsecured bank borrowings	445,000	740,000	600,000
	5,030,879	7,893,667	8,365,589
Less: Current portion	(803,510)	(989,177)	(1,030,177)
	4,227,369	6,904,490	7,335,412
Commerical papers	360,000	800,000	700,000
Less: Unamortized discount	-	(430)	(424)
	360,000	799,570	699,576
	$ 4,587,369	$ 7,704,060	$ 8,034,988
Range of maturity dates	2022.08.14~2027.11.02	2021.07.01~2027.11.02	2020.07.10~2027.11.02
Range of interest rates	1.33%~1.79%	0.40%~2.15%	0.40%~2.15%

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

	2021	2020
At January 1	$ 113,024	$ 102,554
Additions	36,298	29,682
Used	(17,259)	(22,130)
At September 30	$ 132,063	$ 110,106

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 $168, $233, $506 and $697 for the three months and nine months ended September 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 nine months ended September 30, 2021 and 2020 were $14,637, $13,860, $43,014 and $41,747, 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 September 30	1,622,671	1,622,671

B. As of September 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 September 30, 2021, December 31, 2020 and September 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$13.90, NT$11.50 and NT$10.75 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			
2021	Share premium	Treasury share transaction	Others	Total
At January 1, 2021 (At September 30, 2021)	$ 1,375,442	$ 877,839	$ 7,232	$ 2,260,513

	Capital surplus			
2020	Share premium	Treasury share transaction	Others	Total
At January 1, 2020 (At September 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 $649,330 ($0.4 (in dollars) per share) and $811,663 ($0.5 (in dollars) per share) for the nine months ended September 30, 2021 and 2020, respectively.

(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	108,334	-	108,334
Disposals transferred to retained earnings	(1,370)	-	(1,370)
At September 30, 2021	$ 1,349,269	($ 48)	$ 1,349,221

	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1, 2020	$ 876,538	($ 48)	$ 876,490
Revaluation - gross	152,042	-	152,042
At September 30, 2020	$ 1,028,580	($ 48)	$ 1,028,532

(23) Maturity analysis of assets and liabilities

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

	Within 12 months	Over 12 months	Total
September 30, 2021			
Assets			
Notes receivable, net	$ 54,555	$ -	$ 54,555
Accounts receivable, net (including related parties)	189,856	309,953	499,809
Contract assets	22,551	120,682	143,233
Inventories	7,139,407	6,091,835	13,231,242
	$ 7,406,369	$ 6,522,470	$ 13,928,839
Liabilities			
Contract liabitities	$ 556,142	$ 167,880	$ 724,022
Notes payable	777,482	683,302	1,460,784
Long-term notes and accounts payable	-	11,456	11,456
	$ 1,333,624	$ 862,638	$ 2,196,262

	Within 12 months	Over 12 months	Total
December 31, 2020			
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	5,194,285	11,460,827	16,655,112
	$ 5,985,985	$ 11,836,135	$ 17,822,120
Liabilities			
Contract liabitities	$ 461,026	$ 253,259	$ 714,285
Notes payable	955,500	738,481	1,693,981
Long-term notes and accounts payable	-	11,456	11,456
	$ 1,416,526	$ 1,003,196	$ 2,419,722

	Within 12 months	Over 12 months	Total
September 30, 2020			
Assets			
Notes receivable, net	$ 50,520	$ -	$ 50,520
Accounts receivable, net (including related parties)	421,652	134,851	556,503
Contract assets	129,200	44,316	173,516
Inventories	11,236,342	6,537,931	17,774,273
	$ 11,837,714	$ 6,717,098	$ 18,554,812
Liabilities			
Contract liabitities	$ 556,031	$ 294,219	$ 850,250
Notes payable	1,940	-	1,940
Accounts payable	837,934	614,835	1,452,769
Long-term notes and accounts payable	-	11,456	11,456
	$ 1,395,905	$ 920,510	$ 2,316,415

(24) Operating revenue

	Three months ended September 30,	
	2021	2020
Revenue from contracts with customers	$ 2,310,009	$ 2,784,349
Other - rental revenue	125,978	127,238
	$ 2,435,987	$ 2,911,587

	Nine months ended September 30,	
	2021	2020
Revenue from contracts with customers	$ 7,963,376	$ 7,345,290
Other - rental revenue	382,782	378,393
	$ 8,346,158	$ 7,723,683

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

Three months ended September 30, 2021	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 1,592,950	$ 422,053	$ 152,001	$ 66,877	$ 76,128	$ 2,310,009
Timing of revenue recognition						
At a point in time	$ 1,592,950	$ -	$ -	$ -	$ -	$ 1,592,950
Over time	-	422,053	152,001	66,877	76,128	717,059
	$ 1,592,950	$ 422,053	$ 152,001	$ 66,877	$ 76,128	$ 2,310,009

Three months ended September 30, 2020	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 1,645,634	$ 676,384	$ 319,034	$ 63,681	$ 79,616	$ 2,784,349
Timing of revenue recognition						
At a point in time	$ 1,645,634	$ -	$ -	$ -	$ -	$ 1,645,634
Over time	-	676,384	319,034	63,681	79,616	1,138,715
	$ 1,645,634	$ 676,384	$ 319,034	$ 63,681	$ 79,616	$ 2,784,349

Nine months ended September 30, 2021	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 5,430,482	$ 1,409,901	$ 687,764	$ 202,292	$ 232,937	$ 7,963,376
Timing of revenue recognition						
At a point in time	$ 5,430,482	$ -	$ -	$ -	$ -	$ 5,430,482
Over time	-	1,409,901	687,764	202,292	232,937	2,532,894
	$ 5,430,482	$ 1,409,901	$ 687,764	$ 202,292	$ 232,937	$ 7,963,376

Nine months ended September 30, 2020	Building and land sales	Construction	Hotel management	BOT business	Property management	Total
Revenue from external customer contracts	$ 3,630,153	$ 2,445,484	$ 835,517	$ 188,723	$ 245,413	$ 7,345,290
Timing of revenue recognition						
At a point in time	$ 3,630,153	$ -	$ -	$ -	$ -	$ 3,630,153
Over time	-	2,445,484	835,517	188,723	245,413	3,715,137
	$ 3,630,153	$ 2,445,484	$ 835,517	$ 188,723	$ 245,413	$ 7,345,290

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

	Year expected to recognise revenue	Contracted amount
September 30, 2021	2021~2024	$ 9,339,911
December 31, 2020	2021~2024	4,883,160
September 30, 2020	2020~2021	2,135,406

C. Contract assets and liabilities

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

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Contract assets:				
Contract assets - construction contracts	$ 143,233	$ 200,782	$ 173,516	$ 340,826
Contract liabilites:				
Contract liabilities - buildings and land sales contracts	$ 554,340	$ 458,386	$ 555,792	$ 496,296
Contract liabilities - construction contracts	169,682	255,899	294,458	225,508
Contract liabilities - Hotel operation contracts	121,431	142,814	113,466	146,767
Contract liabilities - BOT business	68,109	59,851	82,515	53,969
	$ 913,562	$ 916,950	$ 1,046,231	$ 922,540

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

	Three months ended September 30, 2021	Three months ended September 30, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	$ 6,379	$ 21,880
Hotel operation contracts	8	39
	$ 6,387	$ 21,919

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building and land sales contracts	$ 448,406	$ 469,694
Construction contracts	255,899	225,508
Hotel operation contracts	142,353	145,581
BOT business	59,851	53,969
	$ 906,509	$ 894,752

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

(25) Interest income

	Three months ended September 30,	
	2021	2020
Interest income from bank deposits	$ 844	$ 2,114
Other interest income	278	196
	$ 1,122	$ 2,310

	Nine months ended September 30,	
	2021	2020
Interest income from bank deposits	$ 4,583	$ 8,179
Other interest income	702	1,249
	$ 5,285	$ 9,428

(26) Other income

	Three months ended September 30,	
	2021	2020
Dividend income	$ 54,545	$ 97,561
Government grant revenue (Note)	13,182	17,553
Payables transferred to other income	92,998	25,215
Income from rent concessions	14,407	15,041
Income from compensation and incentives for building demolition	11,678	-
Other income	11,955	11,836
	$ 198,765	$ 167,206

	Nine months ended September 30,	
	2021	2020
Dividend income	$ 139,756	$ 97,600
Government grant revenue (Note)	48,564	60,895
Payables transferred to other income	124,161	119,765
Income from rent concessions	14,407	15,041
Income from confiscated guarantee due to a default	-	400
Compensation for road expropriation	8,695	-
Insurance claims income	1,800	-
Income from compensation and incentives for building demolition	11,678	-
Other income	33,167	32,879
	$ 382,228	$ 326,580

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 September 30, 2021	Three months ended September 30, 2020
Net (losses) gains on financial assets at fair value through profit or loss	($ 693,154)	$ 147,511
Losses on disposals of property, plant and equipment (including investment property)	(1,348)	(3,238)
Net currency exchange gain	-	8
Others	(3,772)	(31)
	($ 698,274)	$ 144,250

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net gains on financial assets at fair value through profit or loss	$ 406,656	$ 268,121
Gains on disposals of property, plant and equipment (including investment property)	1,186	24,177
Net currency exchange gain	9	124
Others	(3,774)	110
	$ 404,077	$ 292,532

(28) Finance costs

	Three months ended September 30, 2021	Three months ended September 30, 2020
Interest expense:		
Bank borrowings	$ 27,431	$ 46,048
Lease liability	31,511	33,181
Commercial papers	1,522	4,749
Ordinary bonds	21,955	21,941
Others	127	162
Other finance expenses	300	300
	82,846	106,381
Less：Capitalization of qualifying assets	(2,697)	(20,769)
	$ 80,149	$ 85,612

	Nine months ended September 30,	
	2021	2020
Interest expense:		
Bank borrowings	$ 92,353	$ 152,907
Lease liability	95,849	82,575
Commercial papers	6,478	16,611
Ordinary bonds	66,033	66,652
Others	1,070	1,375
Other finance expenses	900	900
	262,683	321,020
Less：Capitalization of qualifying assets	(30,952)	(84,155)
	$ 231,731	$ 236,865

(29) Expenses by nature

	Three months ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 148,723	$ 36,026	$ 184,749
Labor and health insurance fees	13,993	13,277	27,270
Pension costs	6,724	8,081	14,805
Directors' remuneration	-	(22,274)	(22,274)
Other employee benefit expense	1,987	4,251	6,238
	$ 171,427	$ 39,361	$ 210,788
Depreciation charges	$ 21,289	$ 173,256	$ 194,545
Amortization charges	$ 15,312	$ 408	$ 15,720

	Three months ended September 30, 2020		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 131,738	$ 151,104	$ 282,842
Labor and health insurance fees	13,543	13,153	26,696
Pension costs	7,007	7,086	14,093
Directors' remuneration	-	11,044	11,044
Other employee benefit expense	6,690	2,186	8,876
	$ 158,978	$ 184,573	$ 343,551
Depreciation charges	$ 21,395	$ 181,629	$ 203,024
Amortization charges	$ 15,313	$ 340	$ 15,653

	Nine months ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 432,450	$ 414,040	$ 846,490
Labor and health insurance fees	44,418	43,708	88,126
Pension costs	21,375	22,145	43,520
Directors' remuneration	-	38,800	38,800
Other employee benefit expense	16,771	19,008	35,779
	$ 515,014	$ 537,701	$ 1,052,715
Depreciation charges	$ 64,010	$ 523,586	$ 587,596
Amortization charges	$ 45,938	$ 1,278	$ 47,216

	Nine months ended September 30, 2020		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 436,415	$ 362,776	$ 799,191
Labor and health insurance fees	42,644	42,115	84,759
Pension costs	21,563	20,881	42,444
Directors' remuneration	-	19,650	19,650
Other employee benefit expense	15,126	13,976	29,102
	$ 515,748	$ 459,398	$ 975,146
Depreciation charges	$ 64,264	$ 501,230	$ 565,494
Amortization charges	$ 45,939	$ 728	$ 46,667

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

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

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

B. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation was accrued at ($71,172), $26,763, $96,128 and $39,897, respectively; while directors' remuneration was accrued at ($24,213), $9,105, $32,703 and $13,573, 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 nine months ended September 30, 2021.

Employees' compensation and directors' remuneration of 2020 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2020 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:

	Three months ended September 30, 2021	Three months ended September 30, 2020
Current tax:		
Current tax on profits for the period	$ 115,393	$ 34,633
Tax on undistributed surplus earnings	3,150	-
Land value increment tax recognised in income tax for the period	1,686	4,582
Total current tax	120,229	39,215
Deferred tax:		
Origination and reversal of temporary differences	(35)	7,856
Loss carryforward	(33,440)	(30,912)
Total deferred tax	(33,475)	(23,056)
Income tax expense	$ 86,754	$ 16,159

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Current tax:		
Current tax on profits for the period	$ 232,930	$ 14,537
Tax on undistributed surplus earnings	3,150	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	13,288	16,535
Total current tax	240,347	29,632
Deferred tax:		
Origination and reversal of temporary differences	(123)	51,751
Loss carryforward	(88,009)	(88,757)
Total deferred tax	(88,132)	(37,006)
Income tax expense (benefit)	$ 152,215	($ 7,374)

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

(31) (Loss) earnings per share

	Three months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 429,219)	1,622,671	($ 0.26)

	Three months ended September 30, 2021		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 229,716	1,622,671	$ 0.14
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 229,716	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,490	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 229,716	1,625,161	$ 0.14

	Nine months ended September 30, 2021		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 1,167,814	1,622,671	$ 0.72
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,167,814	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	9,235	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,167,814	1,631,906	$ 0.72

	Nine months ended September 30, 2020		
Basic earnings per share	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Profit attributable to ordinary shareholders of the parent	$ 336,946	1,622,671	$ 0.21
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 336,946	1,622,671	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,900	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 336,946	1,629,571	$ 0.21

(32) Supplemental cash flow information

Investing and financing activities with no cash flow effects:

	Nine months ended September 30,	
	2021	2020
Prepayment transferred to property, plant and equipment	$ 555	$ -
Prepayment for equipment (shown as 'other non-current assets-others') transferred to property, plant and equipment	$ 668	$ 34,274
Investment properties transferred to land held for constuction site	$ -	$ 45,501
Property, plant and equipment transferred to investment properties	$ -	$ 1,154
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)	September 30, 2021
Short-term borrowings	$ 1,315,000	($ 166,000)	$ -	$ 1,149,000
Short-term notes and bills payable	50,000	70,000	-	120,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	8,693,237	(3,302,358)	-	5,390,879
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	160,581	29,301	-	189,882
Lease liability	7,861,183	(329,074)	(3,241)	7,528,868
Liabilities from financing activities - gross	$ 23,388,302	($ 3,698,131)	($ 3,241)	$ 19,686,930

	January 1, 2020	Changes in cash flow from financing activities	Changes in other non-cash items (Note)	September 30, 2020
Short-term borrowings	$ 1,979,000	($ 368,000)	$ -	$ 1,611,000
Short-term notes and bills payable	99,925	(9,925)	-	90,000
Bonds payable	4,500,000	-	-	4,500,000
Long-term borrowings	12,155,924	(3,090,759)	-	9,065,165
Long-term notes and accounts payable	808,301	-	-	808,301
Guarantee deposits received	148,959	35,745	-	184,704
Lease liability	6,279,197	(265,534)	1,925,303	7,938,966
Liabilities from financing activities - gross	$ 25,971,306	($ 3,698,473)	$ 1,925,303	$ 24,198,136

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
Uni-President Express Corp. (Uni-President Express)	Other related party

(2) Significant related party transactions and balances

A. Sales of goods:

(a)

	Three months ended September 30,	
Construction subcontracting:	2021	2020
－Other related parties	$ 8,349	$ 24

	Nine months ended September 30,	
Construction subcontracting:	2021	2020
－Other related parties	$ 11,455	$ 1,618

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

Uni-President Express:	September 30, 2021	December 31, 2020	September 30, 2020
Total amount of construction contracts that were signed but had not been settled yet	$ 4,500,000	$ -	$ -
Construction payments received	-	-	-
Construction payments receivable	$ 4,500,000	$ -	$ -

Other related parties:	September 30, 2021	December 31, 2020	September 30, 2020
Total amount of construction contracts that were signed but had not been settled yet	$ 59,341	$ 4,286	$ 241,418
Construction payments received	(11,578)	(2,952)	(241,409)
Construction payments receivable	$ 47,763	$ 1,334	$ 9

(b)

	Three months ended September 30,	
	2021	2020
Rental income:		
—President Chain Store Corp.	$ 13,365	$ 13,336
—Other related parties	4,161	4,054
	$ 17,526	$ 17,390

	Nine months ended September 30,	
	2021	2020
Rental income:		
—President Chain Store Corp.	$ 40,124	$ 40,108
—Other related parties	12,499	12,199
	$ 52,623	$ 52,307

Rent is determined by mutual agreements and is collected monthly.

B. Accounts receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Other related parties	$ 4,826	$ 4,049	$ 4,212

C. Contract assets and liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Contract assets:			
Uni-President Express	$ 4,976	$ -	$ -
Other related parties	-	-	70
	$ 4,976	$ -	$ 70
Contract liabilities:			
Other related parties	$ 3,167	$ 1,084	$ -

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

(b) Lease liabilities

i. Outstanding balance:

	September 30, 2020	December 31, 2020	September 30, 2020
Lease liabilities - current:			
Uni-President Development Corp.	$ 330,567	$ 325,845	$ 308,722
President International Development Corp.	25,145	24,732	24,595
	$ 355,712	$ 350,577	$ 333,317
Lease liabilities - non-current:			
Uni-President Development Corp.	$ 5,122,112	$ 5,370,684	$ 5,452,855
President International Development Corp.	13,853	32,764	38,999
	$ 5,135,965	$ 5,403,448	$ 5,491,854

ii. Interest expense:

	Three months ended September 30,	
	2021	2020
Interest expense:		
Uni-President Development Corp.	$ 20,928	$ 22,156
President International Development Corp,	238	374
	$ 21,166	$ 22,530

	Nine months ended September 30,	
	2021	2020
Interest expense:		
Uni-President Development Corp.	$ 63,714	$ 67,373
President International Development Corp,	817	1,221
	$ 64,531	$ 68,594

E. Others:

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

F. On September 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 September 30, 2006, and the Company and A party should jointly issue a promissory note of $1,800,000 to B party on the signing date; payment should be done before July 15, 2006. The title to the creditor's rights as stated above had been transferred to the Company and A party on August 2, 2006. Total acquisition price of the creditor's rights amounted to $5,200,000, which the Company and A party bear 50% of the price each. The Company had paid its share.

(3) Key management compensation

	Three months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	$ 5,284	$ 5,291
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 5,284	$ 5,291

	Nine months ended September 30,	
	2021	2020
Salaries and other short-term employee benefits	$ 44,420	$ 45,932
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefit	-	-
Share-based payment	-	-
	$ 44,420	$ 45,932

8. PLEDGED ASSETS

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

Pledged asset	September 30, 2021	December 31, 2020	September 30, 2020	Purpose
Time deposits, demand deposits and checking deposits (shown as "financial assets at amortised cost")	$ 668,506	$ 817,206	$ 881,019	Performance guarantee,short-term and long-term borrowings.
Financial assets at fair value through profit or loss	79,850	79,712	79,640	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	785,531	Short-term borrowings, notes and bills payable and long-term borrowings
Financial assets at fair value through other comprehensive income	1,331,821	1,293,634	1,239,051	Issued long-term notes and bills
Investments accounted for under equity method	1,136,320	1,136,641	1,123,550	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	1,719,981	1,761,640	1,775,526	Short-term borrowings, notes and bills payable and long-term borrowings
Investment property	4,808,538	4,846,528	4,862,801	Short-term borrowings, notes and bills payable and long-term borrowings
	$ 13,133,086	$ 17,096,678	$ 17,067,687	

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:

	September 30, 2021		December 31, 2020		September 30, 2020	
Name of company	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn
The Splendor Hotel Taichung(Note)	$ 1,900,000	$ 1,850,000	$ 1,875,000	$ 1,875,000	$ 1,900,000	$ 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:

	September 30, 2021		December 31, 2020		September 30, 2020	
Name of company	Total endorsement amount	Amount drawn	Total endorsement amount	Amount drawn	Total endorsement 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:

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

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:

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant and equipment	$ 5,836	$ 3,246	$ 1,291

(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 September 30, 2021, December 31, 2020 and September 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 September 30, 2021, December 31, 2020 and September 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 September every year. Further, according to the superficies contract signed by the two parties, A party should pay B party land rentals from the registration of superficies.

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

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

(8) The Company signed a loan contract with Mega International Commercial Bank for a credit line of $785 million. The loans include long-term (secured) loans and guarantee payments receivable (secured), which are used to fund the construction of student dormitories and alumnus hall of National Cheng Kung University. During the loan period, the Company should maintain financial commitments such as current ratio, liability ratio and interest coverage; those financial ratios/restrictions shall be reviewed at least once every year. Current ratio and liability ratio shall be reviewed based on the Company's audited annual non-consolidated financial statements, and interest coverage based on the Company's revenue and expenditure table for the related project. If the Company violates the above financial commitments, it shall improve its financial position by capital

increase or other ways before the end of October of the following year from the year of violation; it would not be regarded as a default if the bank confirms that its financial position has improved completely. In case of violation, interest on the loans would be charged at the loan rate specified in the contract plus additional 0.25% per annum from the notification date of the bank to the completion date of financial improvement or to the date the Company obtains a waiver from the bank for its violation.

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

	September 30, 2021	December 31, 2020	September 30, 2020
5 tracts of lands including Nanzi Dist., Kaohsiung City Nanzi 1st Section No. 158 etc	$ -	$ -	$ 55,210

(10) As of September 30, 2021, December 31, 2020 and September 30, 2020, performance guarantee letters issued for construction undertaking, warranty and leases of subsidiary, Ta-Chen Construction & Engineering Corp., amounted to $503,076, $569,693 and $483,000, 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

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 4,107,205	$ 1,798,369	$ 1,483,641
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	2,345,029	2,246,407	2,032,663
Financial assets at amortised cost			
Cash and cash equivalents	4,697,597	5,406,601	4,756,606
Financial assets at amortised cost	1,157,185	1,733,793	1,771,322
Notes receivable	59,230	25,934	74,095
Accounts receivable (including related parties)	553,684	1,030,235	627,627
Other receivables	28,077	84,537	68,393
Refundable deposits	126,216	113,575	116,510
	$ 13,074,223	$ 12,439,451	$ 10,930,857

	September 30, 2021	December 31, 2020	September 30, 2020
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 1,149,000	$ 1,315,000	$ 1,611,000
Short-term notes and bills payable	120,000	50,000	90,000
Notes payable	1,287	306	3,262
Accounts payable	1,569,177	1,798,011	1,540,715
Other payables	577,279	718,474	662,628
Corporate bonds payable (including current portion)	4,500,000	4,500,000	4,500,000
Long-term borrowings (including current portion)	5,390,879	8,693,237	9,065,165
Long-term notes and accounts payable	808,301	808,301	808,301
Guarantee deposits received	189,882	160,581	184,704
	$ 14,305,805	$ 18,043,910	$ 18,465,775
Lease liability	$ 7,528,868	$ 7,861,183	$ 7,938,966

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 nine months ended September 30, 2021 and 2020 would have increased/decreased by $410,721 and $148,364, 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 $234,503 and $203,266, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk mainly arose from short-term and long-term (excluding commercial papers) borrowings issued at variable rates and exposed the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group’s borrowings at floating rate were calculated by NTD, if interest rates on borrowings had been 0.1% basis point higher/lower with all other variables held constant, profit before tax for the nine months ended September 30, 2021 and 2020 would have been $6,180 and $9,977 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
September 30, 2021						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	$ 552,890	$ -	$ 554	$ 160	$ 354	$ 553,958
Loss allowance	-	-	-	-	274	274
December 31, 2020						
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
September 30, 2020						
Expected loss rate	0.01%	10%	25%	50%	100%	
Total book value	$ 628,705	$ 31	$ -	$ -	$ 3,023	$ 631,759
Loss allowance	-	-	-	-	4,132	4,132

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	434	(328)
Derecognised	(464)	-
At September 30	$ 274	$ 4,132

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

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

(c) Liquidity risk

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

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

	September 30, 2021		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 1,157,567	$ -	$ -
Short-term notes and bills payable	120,000	-	-
Notes payable	1,287	-	-
Accounts payable	884,809	683,303	1,065
Other payables	572,414	4,546	319
Lease liability	572,328	1,099,482	6,906,622
Guarantee deposits received	109,229	49,831	30,821
Bonds payable (including current portion)	2,042,000	2,521,000	-
Long-term borrowings (including current portion)	813,752	4,228,010	611,407
Long-term notes and accounts payable	-	-	808,301

	December 31, 2020		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
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	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

	September 30, 2020		
	Within 1 year	Between 1 to 3 years	Over 3 years
Non-derivative financial liabilities:			
Short-term borrowings	$ 1,628,721	$ -	$ -
Short-term notes and bills payable	90,000	-	-
Notes payable	3,251	4	7
Accounts payable	914,986	613,107	12,622
Other payables	651,106	11,201	321
Lease liability	561,944	1,108,849	7,462,287
Guarantee deposits received	115,756	44,313	24,635
Bonds payable (including current portion)	42,000	4,542,000	-
Long-term borrowings (including current portion)	1,046,903	4,555,882	3,766,581
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 September 30, 2021, December 31, 2020 and September 30, 2020 are as follows:

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

September 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 4,107,205	$ -	$ -	$ 4,107,205
Financial assets at fair value through other comprehensive income				
Equity securities	1,308,571	-	1,036,458	2,345,029
	$ 5,415,776	$ -	$ 1,036,458	$ 6,452,234

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
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	1,184,373	-	1,062,034	2,246,407
	$ 2,982,742	$ -	$ 1,062,034	$ 4,044,776

September 30, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,483,641	$ -	$ -	$ 1,483,641
Financial assets at fair value through other comprehensive income				
Equity securities	1,108,181	-	924,482	2,032,663
	$ 2,591,822	$ -	$ 924,482	$ 3,516,304

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

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

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

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

E. For the nine months ended September 30, 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 nine months ended September 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)	(24,206)	(69,476)
Sold in the period	(1,370)	-
At September 30	$ 1,036,458	$ 924,482

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

G. For the nine months ended September 30, 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 September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 1,036,458	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 September 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity					
Unlisted shares	$ 924,482	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:

	Input	Change	September 30, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	1,036,458	±1%	$ -	$ -	$ 10,365	($ 10,365)

	Input	Change	December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	1,062,034	±1%	$ -	$ -	$ 10,620	($ 10,620)

	Input	Change	September 30, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	924,482	±1%	$ -	$ -	$ 9,245	($ 9,245)

(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	Nine months ended September 30, 2021				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 6,840,383	$ 1,086,325	$ 419,450	$ -	$ 8,346,158
Internal operating revenue-net	64,679	-	54,687	(119,366)	-
Total segment revenue	6,905,062	1,086,325	474,137		8,346,158
Costs and expenses	(5,993,402)	(1,539,980)	(310,478)	151,921	(7,691,939)
Segment income	911,660	(453,655)	163,659		654,219
Interest income	3,870	2,020	1,016	(1,621)	5,285
Other income	308,224	75,034	2,902	(3,932)	382,228
Other gains and losses	404,552	(299)	(176)	-	404,077
Finance costs	(95,206)	(138,039)	(117)	1,631	(231,731)
Share of profit of associates and joint ventures accounted for under the equity method	26,177	-	23,840	(18,531)	31,486
Income (loss) from continuing operations before tax	1,559,277	(514,939)	191,124		1,245,564
Income tax (expense) benefit	(239,036)	87,658	(837)	-	(152,215)
Net income (loss) for the period	$ 1,320,241	($ 427,281)	$ 190,287		$ 1,093,349
Segment assets	$ 39,168,943	$13,113,700	$ 946,266	(4,483,985)	$48,744,924
Segment liabilities	$ 11,701,561	$12,686,558	$ 52,806	(673,716)	$23,767,209

Item	Nine months ended September 30, 2020				
	Construction	Hotel	Others	Write-off and Adjustment	Total
External operating revenue-net	$ 6,075,637	$ 1,221,439	$ 426,607	$ -	$ 7,723,683
Internal operating revenue-net	145,606	-	49,701	(195,307)	-
Total segment revenue	6,221,243	1,221,439	476,308		7,723,683
Costs and expenses	(6,215,879)	(1,543,359)	(311,704)	183,424	(7,887,518)
Segment income	5,364	(321,920)	164,604	-	(163,835)
interest income	11,672	3,791	2,165	(8,200)	9,428
Other income	248,120	79,169	3,279	(3,995)	326,573
Other gains and losses	296,236	(3,502)	(202)	-	292,532
Finance costs	(120,624)	(124,327)	(141)	8,227	(236,865)
Share of (loss) profit of associates and joint ventures accounted for under the equity method	(14,332)	-	19,888	39,898	45,454
Income (loss) from continuing operations before tax	426,436	(366,789)	189,593		273,287
Income tax (expense) benefit	(63,751)	73,400	(2,275)	-	7,374
Net income (loss) for the period	$ 362,685	($ 293,389)	$ 187,318		$ 280,661
Segment assets	$ 41,595,962	$ 14,241,595	$ 907,750	(4,651,583)	$ 52,093,724
Segment liabilities	$ 15,840,069	$ 13,110,052	$ 54,140	(675,697)	$ 28,328,564

(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

Nine months ended September 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 nine months 2021	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
1	Ta-Chen Construction & Engineering Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Other receivables - related parties	Y	100,000	$ -	$ -	2.7	Short-term financing	$ -	Additional operating capital	$ -	None	$ -	$ 500,000	$ 623,688	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 Intermational 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	-	40,513	40,513	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 Intermational 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

Nine months ended September 30, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021	Outstanding endorsement/ guarantee amount at September 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
0	Prince Housing & Development Corp.	The Splendor Hotel Taichung	6	$ 4,965,811	$ 2,125,000	$ 1,900,000	$ 1,850,000	$ -	8%	$ 12,414,527	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)

September 30, 2021

Expressed in thousands of NTD

Table 3

(Except as otherwise indicated)

Securities held by	Marketable securities	Name of investee companies	Relationship with the securities issuer	General ledger account	As of September 30, 2021 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	$ 691,440	Note 1	$ 91.40	Listed company, Note 2
	Stock	ScinoPharm Taiwan, Ltd.	None	Non-current financial assets at fair value through other comprehensive income	23,605,921	580,705	Note 1	24.60	Listed company, Note 3
	Stock	Simplo Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	76,349	22,027	Note 1	288.50	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	8.18	
	Stock	Grand Bills Finance Corp.	None	Non-current financial assets at fair value through other comprehensive income	48,672	934	Note 1	19.35	
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	344,488	1,347	Note 1	5.04	
	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	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%	28.10	
	Stock	President International Development Corp.	None	Non-current financial assets at fair value through other comprehensive income	87,745,770	779,690	6.63%	8.88	Note 4
	Fund	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - non-current	6,301,406	79,850	-	12.67	Note 5
	Fund	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss - current	59,330,810	1,000,579	-	16.86	
	Fund	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	19,929,969	252,146	-	12.65	
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,080,321	300,791	-	14.98	
	Fund	Yuanta De-Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,269,203	201,982	-	16.46	
	Fund	Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss - current	25,502,023	350,229	-	13.73	
	Fund	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	18,855,452	301,377	-	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	1,218,132	Note 1	91.40	Listed company
	Stock	Chipwell Tech. Corp.	None	Non-current financial assets at fair value through other comprehensive income	349,990	1,764	Note 1	5.04	
	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	1,187,105	20,000	-	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	13.90	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	26.20	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	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,871,757	80,240	-	13.67	
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	91.40	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	14.85	OTC company
	Fund	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	11,874,873	177,879	-	14.98	

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

Nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2021 Number of shares	Balance as at January 1, 2021 Amount	Addition (Note 3) Number of shares	Addition (Note 3) Amount	Disposal (Note 3) Number of shares	Disposal (Note 3) Selling price	Disposal (Note 3) Book value	Disposal (Note 3) Gain on disposal	Balance as at September 30, 2021 Number of shares	Balance as at September 30, 2021 Amount
Prince Housing & Development Corp.	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	$ -	59,330,810	$ 1,000,000	-	$ -	$ -	$ -	59,330,810	$ 1,000,000
Prince Housing & Development Corp.	Eastspring Investments Well Pool Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	25,502,203	350,000	-	-	-	-	25,502,203	350,000

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

Nine months ended September 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: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Prince Housing & Development Corp.	Ren Wu Dist. Xia Hai Lot No. 978, etc.	2013/06/14 (Note 1)	Note 2	$ 1,175,285	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 September 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
September 30, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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

Prince Housing & Development Corp.

Significant inter-company transactions during the reporting periods

Nine months ended September 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.	The Splender Hotel Taichung	The Company to the consolidated subsidiaries	Endorsement and guarantee	$ 1,900,000	In accordance with endorsement and guarantee procedures	3.90%
0	Prince Housing & Development Corp.	The Splender Hotel Taichung	The Company to the consolidated subsidiaries	Other assets - obligation receivables	575,000	Creditor's rights purchase contract	1.18%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

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

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

Prince Housing & Development Corp.
Information on investees
Nine months ended September 30, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at September 30, 2021					
Investor	Investee	Location	Main business activities	Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
Prince Housing & Development Corp.	Cheng-Shi Investment Holdings Co., Ltd.	Taiwan	General investment	$ 1,146,925	$ 1,146,925	116,105,000	100.00%	$ 1,687,434	$ 454,578	$ 483,163	Notes 1 and 2
	Prince Property Management Consulting Co., Ltd.	Taiwan	Management and consulting	181,000	181,000	17,146,580	100.00%	258,813	3,421	3,492	Notes 1 and 2
	Geng-Ding Co., Ltd.	Taiwan	Hotels and catering	120,000	120,000	18,000,000	30.00%	282,624	(64,340)	(19,302)	
	Prince Housing Investment Co., Ltd.	British Virgin Islands	Overseas investment	140,413	140,413	428	100.00%	585,509	26,527	26,527	Note 2
	Uni-President Development Corp.	Taiwan	Leasing of buildings	1,080,000	1,080,000	108,000,000	30.00%	1,136,320	96,488	28,946	Note 4
	The Splender Hotel Taichung	Taiwan	Hotels and catering	975,000	975,000	97,500,000	50.00%	146,050	(148,918)	(74,459)	Note 2
	Jin Yi Xing Plywood Co., Ltd.	Taiwan	Manufacture of plywoods	165,410	165,410	3,938,168	99.65%	(297,726)	(74)	(74)	Note 2
	Ming-Da Enterprise Co., Ltd.	Taiwan	Real estate trading	-	37,378	-	0.00%	-	-	-	Note 5
	Prince Industrial Co., Ltd.	Taiwan	Development of public housing and building	10,000	10,000	1,000,000	100.00%	9,262	(41)	(41)	Note 2
	Prince Real Estate Co., Ltd.	Taiwan	Real estate trading and leasing	470,784	470,784	12,292,315	99.68%	686,657	(1,633)	(1,631)	Notes 1 and 2
	Times Square International Investment Holdings Co., Ltd.	Taiwan	General investment	607,270	607,270	79,800,000	100.00%	135,043	(418,424)	(418,445)	Notes 2
Cheng-Shi Investment Holdings Co., Ltd	Ta-Chen Construction & Engineering Corp.	Taiwan	Construction	856,566	856,566	90,497,528	100.00%	1,559,222	472,625	-	Notes 2 and 3
	Prince Utility Co., Ltd.	Taiwan	Electricity water pipe	56,025	56,025	3,070,000	100.00%	44,367	(5,192)	-	Notes 2 and 3
	Cheng-Shi Construction Co., Ltd.	Taiwan	Construction	208,027	208,027	20,100,000	100.00%	209,725	(11,330)	-	Notes 2 and 3
Prince Housing Investment Co., Ltd.	PPG Investment Inc.	U.S.A	Overseas investment	56,945	56,945	273	27.30%	23,281	35,801	-	Note 3
	Queen Holdings Ltd.	British Virgin Islands	Overseas investment	122,034	122,034	2,730	27.30%	398,170	51,527	-	Note 3

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at September 30, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at September 30, 2021: Number of shares	Shares held as at September 30, 2021: Ownership (%)	Shares held as at September 30, 2021: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
Prince Property Management Consulting Co., Ltd.	Prince Apartment Management Maintain Co., Ltd.	Taiwan	Management of apartments	$ 67,853	$ 67,853	3,000,000	100.00%	$ 42,153	$ 2,225	$ -	Notes 2 and 3
	Prince Security Co., Ltd.	Taiwan	Security	159,611	159,611	13,172,636	100.00%	169,135	1,310	-	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)	(456)	-	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%	(49,576)	(315,279)	-	Notes 2 and 3
	Times Square International Stays Corp.	Taiwan	Hotels and catering	430,000	430,000	42,000,000	100.00%	180,805	(103,058)	-	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

September 30, 2021

Table 9

Name of major shareholders	Shares Number of shares held	Ownership (%)
Uni-President Enterprises Corp.	162,743,264	10.02%
Taipo Investment Co., Ltd.	106,250,587	6.54%