

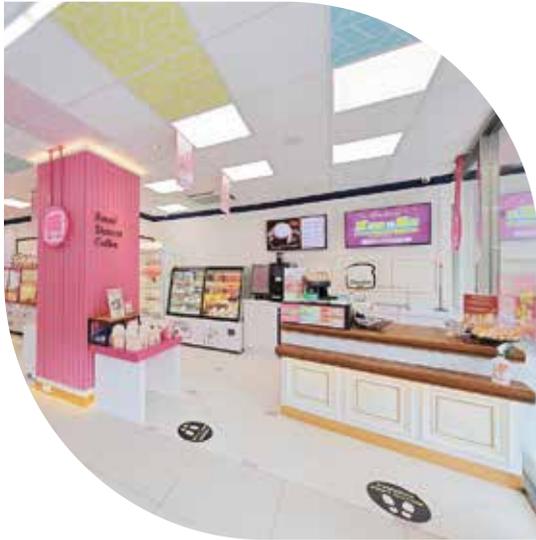
PRESIDENT CHAIN STORE CORPORATION



2021 ANNUAL REPORT

CONTENT

- 14 01 Letter to shareholders**
- 16 02 Corporate Overview**
- 18 03 Corporate Governance**
 - 1. Organization Chart
 - 2. Information on Directors and Management of the Company and Various Departments and Branches
 - 3. Implementation of Corporate governance
 - 4. Information on Independent Auditors
 - 5. Net Change in Shareholdings and in Shares Pledged by Directors, Management and Shareholders Holding more than a 10% Share in the Company
 - 6. Relationships between the Company's Top 10 Largest Shareholders and Their Shareholding Percentages
 - 7. PCSC, Company directors, management, and directly/indirectly owned subsidiaries' ownership of shares in affiliated enterprises
- 60 04 Fund Raising**
 - 1. Capital and Shares
 - 2. Status of Corporate Bonds, Preferred Stock, GDR, Employee Stock Option Plan, Employee Restricted Stock Plans, Mergers, Acquisitions, and Spin-Offs
 - 3. Status of Capital Utilization Plan
- 64 05 Operating Highlights**
 - 1. Business Activities
 - 2. Market Analysis and Merchandising
 - 3. Human Resources
 - 4. Environmental Protection Expenditures
 - 5. Labor-Management Relations
 - 6. Information Security Management
 - 7. Important Contracts
- 76 06 Financial Information**
 - 1. Five Year Condensed Balance Sheet and Comprehensive Income Statement
 - 2. Five Year Financial Analysis
 - 3. The Audit Committee Report Regarding the most Recent Annual Financial Report
 - 4. The Audited Consolidated Financial Report for the most Recent Fiscal Year
 - 5. The Audited Parent Company only Financial Report for the most Recent Fiscal Year
 - 6. Any Cash Flow Difficulties with the Company and its Affiliates During the most Recent Year and as of the Date of Publication of the Annual Report
- 82 07 Financial Status, Financial Performance and Risk Management**
 - 1. Financial Position Analysis
 - 2. Financial Performance Analysis
 - 3. Cash Flow Analysis
 - 4. Major Capital Expenditures in Recent Years and Impact on Financial and Business
 - 5. Analysis of Investments in Affiliates in Recent Years
 - 6. Risk Management Policies and Organizational Structure and Risk Assessment
 - 7. Other Important Items
- 90 08 Specific Notes**
 - 1. Information About Affiliated Companies
 - 2. Private Placement of Securities
 - 3. PCSC Securities Acquired, Disposed of, or Held by Subsidiaries
 - 4. Other Supplementary Information
 - 5. Situations Described in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act



Lifestyle Store:7-ELEVEN X Semeur Bakery



Lifestyle Store:7-ELEVEN X Cold Stone Ice Cream

Satisfy diversified demand

Create endless possibility



Co-branded Store: 7-ELEVEN X Demon Slayer





Diverse Lifestyle Center



Co-branded Store: 7-ELEVEN X Pokémon



X-STORE 5 : Future Convenience Store

Regent
TAIPEI
晶華酒店

首席主廚精心監製

肉燥排骨飯
主廚特立排骨
×
秘製大腸麵線

紅燒牛肉麵
滷汁牛腱心肉
×
厚實紅燒蹄膀

Cooperation with well-known restaurant and chef - Regent Hotel

天素地蔬

XO醬風味 **椒麻** 拌麵
使用椒麻素XO醬 + Q彈浪花麵

蛋奶素
淨用植物

XO醬風味 **椒麻** 滷味燙
使用椒麻素XO醬結合人氣美味小吃

蔬食
蛋奶素
淨用植物

Veggie Selection

香草烤雞腿薑黃飯
滿足成人每日1/3蛋白質

21Plus
SINCE 1985
輕食新選擇
NEW CHOICE OF LIGHT FOOD

蔥鹽雞
特色蔥鹽醬 × 無骨雞腿肉

蔥鹽雞米飽
份量增量 飽足感UP

Healthy Light Meal





CITY PRIMA (Premium Coffee)

限定區域販售

CITY CAFE
在咖啡 國家冠軍

冰燕麥拿鐵

使用 OATLY 燕麥奶

新上市

懂咖啡的就懂
FINALLY SOMETHING WORTH
PUTTING IN YOUR COFFEE.

CITY CAFE X Oat Milk

Enjoy safety and tasty

Grasp future trends



Fresh and Frozen Food

7-ELEVEN
限定
販售

東南亞
華人最喜愛

Somtum Der
TAINAN
頌丹樂
泰式伊善料理

米其林一星品牌指導

打拋豬肉飯
泰國最流行美食 - 伊善料理 - 泰國最可口美食

打拋雞拌麵
泰國最流行美食 - 伊善料理 - 泰國最可口美食

Cooperation with Michelin-starred restaurant – Somtum Der



Promoting Mobile ordering and pickup APP and iGroup buying to customer

Expand digital service

Create comprehensive platform



Foodomo delivery service





iPre-order (CVS in EC)



Cold-chain in-store pickup service



OPENPOINT Ecosystem



Self-operated platform services-MyShip



Cosmed Ho-Wei drug store



Books.com: E books and Audio books





Transnet Home delivery service



Starbucks online service-Coffee subscription program

Grasp Post-Pandemic opportunities

Build up innovating experiences



Philippines 7-11: The milestone of 3,000 stores



Starbucks: providing customers warm smile with masks under epidemic period.



Environmentally-friendly sip lid cup- to reduce one time used plastic and packaging



Vegetarian Co-branded store- to reduce carbon emission

Sustainable Earth

Sound Society

Fulfilling Enterprise



Charity donations- "Bring Back the Love"





iLove Food- to reduce food waste and carbon emission



7-ELEVEN 6,000th store (sustainable store model) - "FengYi Store"



Formosa Organic Vegetables- providing healthy and nutritious food

Overall Performance (alone)

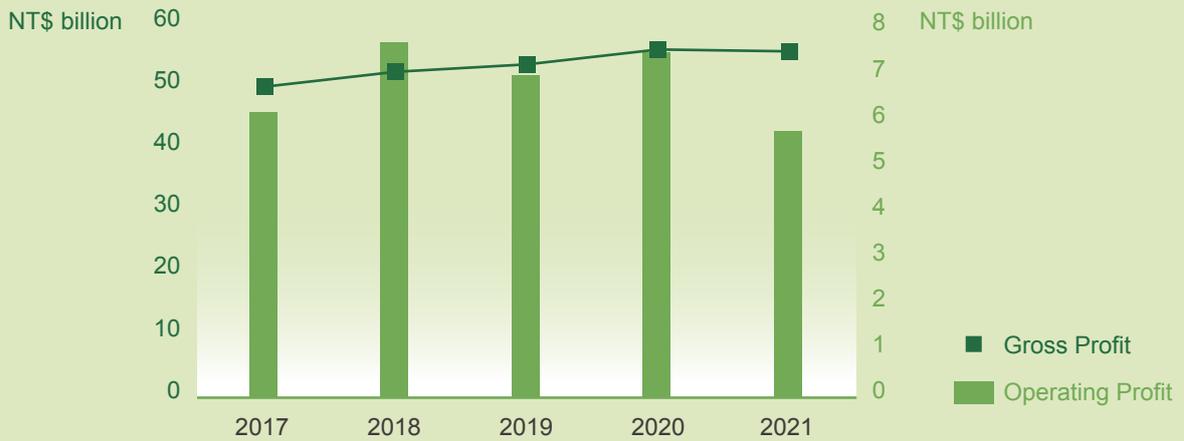
Item / Year (NT\$1,000)	2021	2020	YoY
Revenue	168,010,130	168,147,856	-0.08%
Gross Profit	56,287,789	56,557,043	-0.48%
Operating Profit	5,797,632	7,518,677	-22.89%
Pre-tax Profit	9,821,359	11,714,515	-16.16%
Net Profit	8,861,619	10,238,162	-13.45%
EPS(NT\$)	8.52	9.85	—
Weighted Average Outstanding Shares	1,039,622,255	1,039,622,255	—

Financial Ratios	2021	2020
Gross Margin	33.50%	33.64%
Operating Expense Ratio	30.05%	29.16%
Operating Margin	3.45%	4.47%
Net Margin	5.27%	6.09%
ROA	6.38%	7.70%
ROE	25.25%	28.34%
Inventory Turnover	11.84 times	13.18 times
Fixed Asset Turnover	12.85 times	14.81 times

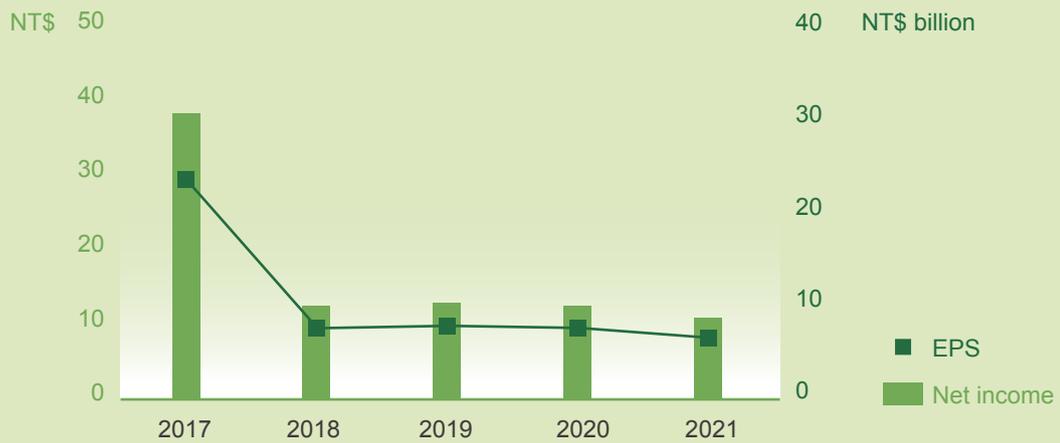
Total No. of Stores & Revenue



Gross Profit & Operating Profit



Net Income & EPS



Cash Dividend Yield



*Performance of FY 2017 includes Starbucks Transactions.

1 Letter to Shareholders



Chairman:
Lo, Chih-Hsien



President:
Huang, Jui-Tien

Dear Shareholders,

2021 was a year full of challenges and opportunities. The COVID 19 epidemic has impacted the global economy, causing many businesses to face severe challenges. The employees and franchisees of President Chain Store Corporation (PCSC) have demonstrated perseverance and resilience in the work as they continued to offer customers real-time and convenient products and services. More than 6,300 7-ELEVEN stores with 24-hour signs are bright lights in the streets and alleys of cities and towns, becoming the safest supply center to bring stability in turbulent times.

During the epidemic, we took the initiative to develop a digital platform in response to the new trend to create Online-To-Offline integration benefits and create a reliance-based service platform that exceeds customer expectations. PCSC worked with its subsidiaries to realize a consolidated revenue of NT\$262.74 billion and net profits of NT\$10.02 billion in 2021. PCSC also actively promoted sustainable development of ESG, selected as a constituent of the Dow Jones Sustainability Index (DJSI) World Index and DJSI Emerging Markets Index for the third year in a row. PCSC's sustainable governance capabilities have been recognized internationally.

Operating Performance

In light of the fact that society's needs continue to evolve and consumer preferences change from generation to generation, PCSC is ready to listen and respond to the different demands of the times.

In 2021, we actively developed digital platforms and delivery services, enhanced the functions of our OPEN POINT APP, and continued to introduce innovative services, such as Mobile ordering and pickup, iPre-order and iGroup-buying, and diversified online marketing strategies to remove limitations on product displays and consumption times in physical stores, support and cultivate customers to order online & pick up in stores habits, demonstrating the advantages of online and offline integration. In addition, we have developed delivery services using our comprehensive store network and integrated delivery platforms on our OPEN POINT APP, providing more diversified and faster service. In terms of membership management, the OPEN POINT member ecosystem integrated 18 channels (including convenience stores, restaurants, drug and cosmetics stores, department stores, fitness centers, and gas stations) within the group, and collaborated with external channels, extending the application scope to enhance the economic benefits. With 14 million members by 2021 and an increase in ticket size per customer, membership contribution to revenue broke 50%.

In terms of store operations, 7-ELEVEN Taiwan actively expanded stores and reached 6,300 store milestone in 2021. Various lifestyles modules, such as Cold Stone Ice Cream, Veggie Selection, and Semeur Bakery, have been launched to satisfy the needs of customers from various shopping districts. We also cooperated with famous brands such as Pokémon, Case Closed, and Demon Slayer to provide customers with a variety of shopping experiences. In 2021, we launched the first Diverse Lifestyle Center, a mega-store that integrates more than 10 brands, such as COSMED, Starbucks, Mister Donut, and Books.com, to provide new generation customers with ideas for quality living. In addition, PCSC set up an intelligent retail landscape, continued to promote "intelligent vending machines" and "intelligent coffee machines" to extend the service scope of our stores. The fifth X-STORE was opened to introduce the Just Walk Out concept with innovative technology, transforming personal smartphones into "intelligent mobile shopping carts" to create new customers experience. PCSC continues employ different types of innovations to offer new shopping experiences to customers.

In terms of merchandise, 7-ELEVEN now sells refrigerated packaged foods that were once sold unpackaged to increase food hygiene and safety during the epidemic. PCSC has also taken advantage of the trend of convenient frozen food and healthy vegetarian food to meet customer's dining needs. In addition, we have collaborated with famous chefs and

Michelin-starred hotels to develop delicious co-branded fresh foods, providing customers a new dining option. In the operation of CITY CAFE, we continued to optimize our premium coffee brand CITY PRIMA, to enhance the sensory experience of customers, and provide Mobile Ordering and Pickup services for members through OPEN POINT APP, creating a consumption model of buying at home and picking up at the store. In terms of services, PCSC's intense store network and comprehensive logistics system has supported our E-service platforms and we have established unique store delivery and pickup model. We also developed own platform "Myship" and "Easy Delivery" and has expanded into various E-service operations and logistics support services, such as quick collection service, international shipment, and cold-chain in-store pickup service. In 2021, we handled pickup and delivery of more than 330 million packages.

Our multi-faceted business structure and foundation have enabled us to continue to operate steadily in these difficult times. At the end of 2021, PCSC and its subsidiaries operated more than 11,070 stores. In 2021, President Transnet Corp. (Takkyūbin) continued to optimize business structure and improve logistical efficiency to meet customers delivery needs by taking advantage of business opportunities provided by the epidemic. Uni-Wonder Corp. (Starbucks) has been enhancing its membership program and brand experience and has continued to infuse vitality into the coffee market through diversified store types and delivery services. Books.com Co., Ltd. (books.com) took steps to expand its e-book and audiobook business, providing a new reading experience and more diversified products that meet customer needs. President Drugstore Business Corp. (COSMED) combines online and offline resources to meet customers' fast-changing demands. Philippines 7-ELEVEN has rapidly adapted to market changes, adjusted and optimized product structure, and strengthened digital services. Connection Labs Ltd. (Foodomo) has been aggressively pursuing the delivery market, providing customers with more diversified products and faster services by integrating the Group's resources. PCSC and all its subsidiaries strive to improve and provide innovative and outstanding products and services to meet local needs.

Sustainable Development

As a platform that is an integral part of people's lives, PCSC is responsible for providing sustainable products and services, and actively implementing sustainable corporate management with integrity is our management policy.

In terms of the environment issue, the Company has set up four task forces on plastic reduction, carbon reduction, food waste management, and sustainable procurement. Each played a role in promoting green operations. Specific actions we have taken include working with suppliers to develop plastic-reducing products, committing to the goal of completely eliminating disposable plastics by 2050, promoting "iLove Food" in stores to reduce food waste, setting up Veggie Selection zones to reduce carbon emissions, and obtaining raw material sustainability certification through green procurement. In terms of social participation, PCSC has leveraged corporate scale and intense store advantages to build a senior-friendly platform and has been promoting "Good Neighbor Meal Delivery Team" campaign and inviting demented elderly to stores to interact with others for a long time. PCSC was also the first retailer to create an O2O public welfare fundraising platform, "OPEN POINT APP Online Charity Donation" service, bringing together convenience stores, social enterprises and social welfare organizations to create a sustainable circular economy for convenience stores. In terms of corporate governance issue, PCSC has been ranked in the top 5% of corporate governance ratings for seven consecutive years and has been selected as a constituent of the MSCI Global Sustainability Index, FTSE4Good Emerging Markets Sustainability Index, and Taiwan Sustainability Index, as well as a constituent of the DJSI World Index and Emerging Markets Index for three consecutive years. The Company is ranked among the world's benchmark companies and has received international recognition.

Business Prospects

The epidemic will eventually be winding down but we still face various operational challenges in the future. PCSC is employing an innovative and integrated business model to bolster its digital platform and delivery service competitiveness by optimizing the seven basic elements of management: people, stores, products, systems, logistics, policies, and culture, to become a "reliance-based service platform that surpasses customer's expectations. As we continue to recover and grow, we will not only achieve an economic success, but also play an active role in influencing people and things around us as we pursue a common goal, and move forward together with our partners in the industry ecosystem.

Corporate sustainable operations never end. PCSC is "determined to become the most outstanding retailer by offering convenient services and being a good corporate citizen". To achieve this vision, PCSC focuses on three core goals: creating a happy company, positively impacting society, and achieving environmental sustainability. We strive to make life more convenient for our customers, ensure steady profitability for our franchisees, create a fair and friendly working environment for our employees, and increase shareholder value for our shareholders.

2 Corporate Overview

1.Date of Incorporation: June 10, 1987

2.Company History

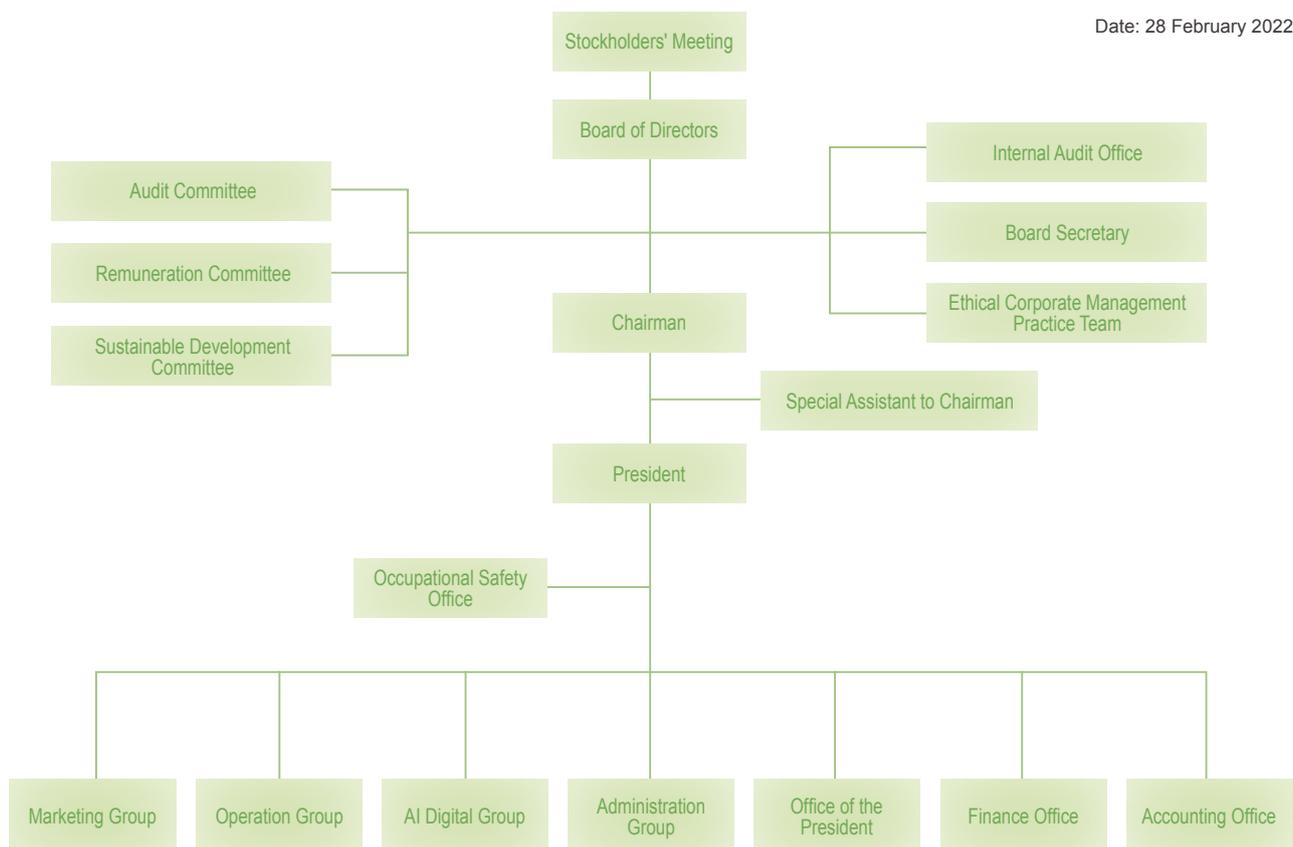
1987	Formerly part of Uni-President Enterprises, President Chain Store Corporation (PCSC) was established as an independent entity.	2011	<ul style="list-style-type: none"> Following the devastating earthquake in Japan, PCSC and 16 affiliated companies launched a fundraising campaign to collect donations in our stores. 7-ELEVEN introduced the "ibon convenient purchasing" service, creating a new wholesale shopping platform via the ibon kiosk and ibon Mart online website. Taking the lead in the convenience store industry, 7-ELEVEN introduced the E-Invoice in stores throughout Taiwan.
1988	The Electronic Order System (EOS) gradually rolled out to enhance distribution efficiency and increase sales opportunities.	2012	<ul style="list-style-type: none"> 7-ELEVEN became the largest transportation ticket platform in Taiwan, with ibon offering tickets from the three major domestic carriers. Ninety percent of domestic air tickets can be purchased and paid for by credit card through ibon. Third generation of POS gradually implemented, accurately capturing customer trends and optimizing retail sales efficiency. Introduced "Taiwan's New Agriculture" program, establishing the 7-ELEVEN Photosynthetic Farm to provide farm-to-table traceability management, food safety transparency, and show our commitment to offering delicious food customers can trust. In a pioneering move, PCSC established a distribution industry quality-testing lab, resulting in an even more rigorous food safety mechanism for customers. For the 18th year in a row, PCSC was named one of CommonWealth Magazine's Top 10 Benchmark Enterprises. PCSC was also awarded the 2012 Digital Service Benchmark Enterprise Award by Business Next Magazine. In Global Views Magazine's Excellence in Corporate Social Responsibility Awards, the only company to be recognized in all of the following categories: Community Involvement, Promotion of Public Interest, and Overall Performance.
1989	PCSC became the third largest 7-ELEVEN chain in the world with the opening of our 300th store.	2013	<ul style="list-style-type: none"> Third generation of POS fully implemented across the Taiwan 7-ELEVEN network of stores. 7-ELEVEN began selling premium fruit and fresh produce in 1,000 stores. 7-ELEVEN product quality inspection labs received three different international certifications, further raising the bar on product inspection. President Transnet Corp. established the Comprehensive Distribution Center in Zhongli, gearing up for rapidly expanding market needs with the new center's large-scale, automated, highly efficient facilities. Released the film, "Bridge Over Troubled Water," nominated for Best Documentary in the 50th Golden Horse Film Festival. Established icasH Corp., wholly undertaking the icasH trademark's proprietary and management rights. icasH proved itself as a versatile payment method applicable across different channels. In recognition of efforts to implement corporate social responsibility, PCSC and Starbucks Taiwan once again received the Excellent Green Retail Business Award from the Taipei City Government. Both enterprises were recognized as green brands in the Food and Beverage, Retail, and Food Services categories by Business Next Magazine.
1990	<ul style="list-style-type: none"> Established Retail Support International Corp. Held the first franchisee seminar, thereby launching the 7-ELEVEN franchise system in Taiwan. 	2014	<ul style="list-style-type: none"> 5000th store opened. Zhongli Fresh Food Commissary completed; together with Kaohsiung's Taisha Fresh Food Commissary, these facilities play an important role as regional distribution centers, efficiently handling the rising demand for takeout food. Mister Donut received a perpetual license to operate in the Taiwan market
1991	100th franchise store opened.	2015	<ul style="list-style-type: none"> 7-ELEVEN joined hands with Formosa Vegetable Organic Farm to offer "organic produce boxes" for preorder and sale at store branches. PCSC launched the internally-developed Material and Quality Assurance System and Laboratory Management System to keep track of information regarding suppliers, upgrade quality assurance management, and build a complete food security network. To capitalize on the B2C market for small value gifts, 7-ELEVEN launched iGift, enabling users to send electronic gift certificates through ibon kiosks and the ibon app. 7-ELEVEN Philippines opened its first store in the archipelago's southernmost island of Mindanao thereby becoming a truly national chain of 1,600 stores. Subsidiary President Chain Store (Taizhou) Ltd. was officially established to support the Company's medium and long-term logistic needs in eastern China.
1994	Established the joint venture Duskin Serve Taiwan Co.	2016	<ul style="list-style-type: none"> The introduction of CITY Fresh expanded the CITY CAFE brand into the tea market, providing customers more variety. PCSC and President Transnet Corp. began a technical collaboration with the Industrial Technology Research Institute, promoting iPickup Station, an intelligent self-pickup station in 7-ELEVEN store where packages are delivered and held, so recipients pick them up at their own convenience. icasH2.0 was officially incorporated into the mass transportation payment system. OPENPOINT's range of applications increased, making life more convenient for customers. Uni-President Hankyu Department Store was renamed Uni-President Ustyle Department Store with a focus on "style", customers can expect a fresh new look and commitment to outstanding service. Wisdom Distribution Service Corp's third phase plant came online, allowing it to make full use of its logistics capabilities and further increasing its service efficiency and quality. Shanghai 7-ELEVEN opened its 100th store.
1995	<ul style="list-style-type: none"> 1000th store opened. Established President Drugstore Business Corp 		
1996	First generation of POS (Point-of-Sales) implemented to fully understand customers' demands and gather market intelligence.		
1997	<ul style="list-style-type: none"> PCSC listed on the Taiwan Stock Exchange Established the joint venture President Coffee Corp. (renamed Uni-Wonder Corp.) 		
1999	<ul style="list-style-type: none"> Expanded into offshore islands such as Penghu and Kinmen to provide convenient services to local residents. 2000th store opened. Established Wisdom Distribution Corp., Uni-President Cold Chain Corp., and President Musashino Corp.(renamed Uni-President Superior Commissary Corp.) 		
2000	<ul style="list-style-type: none"> Signed perpetual area licensing agreement with 7-ELEVEN Inc. Acquired Philippine Seven Corp., extending operations to overseas. Established President Transnet Corp. 		
2002	<ul style="list-style-type: none"> Issued the company's first secured corporate bond in the amount of NT\$700 million. 3000th store opened. 7-ELEVEN lunch box meals certified by the Chinese Frozen Food Institute to meet CAS standards, making it the first lunch box in Taiwan certified to be stored at 18°C. 		
2003	<ul style="list-style-type: none"> 7-ELEVEN's lunch box awarded the International Marketing Communications Excellence Award 2002. PCSC opened our first retail stores in large shopping complexes. PCSC issued a second secured corporate bond in the amount of NT\$1.5 billion. 		
2004	<ul style="list-style-type: none"> Second generation of POS implemented. Launch of 7-ELEVEN icasH stored-value card. 7-ELEVEN's lunch box products became the first convenience store boxed meals to meet national standards as confirmed by Consumers' Foundation health inspection. Established Mister Donut Taiwan Corp., and President Cosmed Chain Store (Shen Zhen) Co., Ltd. 		
2005	<ul style="list-style-type: none"> 4000th store opened. Officially expanded into the hypermarket business in China with acquirement of Shan Dong President Yinzuo Commercial Limited. Honored with the Executive Yuan's 2005 Taiwan Sustainable Development Award and the Ministry of Economic Affairs' first Green Accounting Award. 		
2006	<ul style="list-style-type: none"> With the launch of the ibon multimedia kiosk with eight major functions, including ticket sales, bill payments and mobile office services, PCSC achieved our vision of 7-ELEVEN as a community service center. Established subsidiaries UNI-PRESIDENT Department Store Corp., Cold Stone Creamery Taiwan Ltd., and Cold Stone (Shanghai) Corp. 		
2007	<ul style="list-style-type: none"> With 7-ELEVEN Light Down Eco-Campaign, over 4,000 stores shut off store lights during designated times in the summer months in a pioneering effort to fight global warming. The number of 7-ELEVEN CITY CAFÉ machines reached 1,000, making it the largest coffee chain in Taiwan. 		
2008	<ul style="list-style-type: none"> 7-ELEVEN entered the NT\$10 billion mobile telecommunications market by launching "OPEN Talk" prepaid cards. PCSC won the 2008 CommonWealth Corporate Citizenship Award and Global Views Magazine's Corporate Social Responsibility Award. As part of our ongoing efforts to promote environmental protection and energy conservation, PCSC began switching off all outdoor lighting at Taiwan 7-ELEVEN stores during the daytime, effectively reducing carbon emissions. 		
2009	<ul style="list-style-type: none"> Established President Chain Store (Shanghai) Corporation and signed a licensing agreement with 7-ELEVEN (China) Business Corporation, launching 7-ELEVEN stores in Shanghai. 		
2010	<ul style="list-style-type: none"> Jointly launched "Easy Delivery" service, the first of its kind, with Ruten.com, which has become Taiwan's largest online auction marketplace. In an innovative move, "7Mobile" monthly rental service was officially launched with an eye towards customers looking for a minimum level of service or as a second mobile number. 7-ELEVEN was accredited as a "green store" by the Environmental Protection Administration and was awarded first place in the Taipei Gold Energy Saving Awards as we continue to strive towards becoming a green enterprise. 		

- 2017
- CITY CAFE Fresh Tea brand offered the first convenience store fresh brewed bubble tea series.
 - 7-ELEVEN introduced steamed Japanese oden, which preserves nutrition and flavor, to provide customers even more delicious and diverse food choices.
 - 7-ELEVEN and Cathay United Bank joined hands to launch credit card payment options in all stores.
 - PCSC opened our first "Store of the Future" at the Changye location.
 - Received official authorization to operate 7-ELEVEN in China's Zhejiang Province. We will bring a convenient shopping experience for local residents and achieve new milestones for our overseas business operations.
 - 7-ELEVEN Philippines opened our 2000th outlet, the LV Locsin store.
- 2018
- PCSC launched "X-Store", Taiwan's first convenience store, to integrate cutting-edge technology into a retail space. PCSC unveiled the future of convenience stores by integrating state-of-the-art technology and offered valuable services and a new customer experience.
 - 7-ELEVEN launched "smart vending machine", employing a mini store-in-store model, offering fresh food products at different temperatures to satisfy customers needs.
 - PCSC integrated internal resources to create combination 7-ELEVEN retail stores with concepts of beauty, fitness, bakery, or fast foods. In addition, PCSC launched its first "Big 7", an brand new store type of 7-ELEVEN that carries first premium coffee brand "I+? CAFE RESERVE" and products of Beauty, Bakery, Candy, and physical book store of Books.com. As we continue to strive to meet the needs of different business areas and provide customers with a rich shopping experience.
 - Brown sugar pearl milk tea was introduced in stores nationwide. In addition, CITY CAFE launched premium coffee products to meet customers' needs.
 - Established Beauty Wonder (Zhejiang) Trading Co., Ltd.
 - PCSC received ISO 14064-1 GHG Certification and ISO 45001 OH&S Certification, the only CVS operator received ISO 45001 Certification in Taiwan.
- 2019
- 7-ELEVEN has been working together in strategic partnerships with leading cross-industry brands and introducing co-brand stores as it continues to provide innovative consumer models to meet customer needs and to make shopping more fun.
 - 7-ELEVEN launched Myship, a C2C service which provides individual sellers a sound and guaranteed e-commerce trading platform for cash flow, material flow (logistics), and information flow services.
 - icash Corp. launched icash Pay, an e-payment system which provides online payments, money deposit, money transfer, and money withdrawal functions. icash Pay also connects member and point systems to the OPENPOINT to offer a more convenient shopping experience.
 - Starbucks is cooperating with online food delivery platform to provide customers with a faster and more convenient food delivery experience.
 - President Transnet Corp. established new Hualien plant, further expanding its support base and enhancing its service quality.
- 2020
- Using online and offline integration, 7-ELEVEN launched the "mobile anytime" and "i pre-order" platforms to create a comprehensive shopping experience and innovative services.
 - 7-ELEVEN focuses on CITY CAFE categories as coffee drinks, freshly brewed tea, our pearl drink series, and CITY PRIMA. 7-ELEVEN will use online tools such as "mobile anytime" to meet the needs and business opportunities of the digital age.
 - 7-ELEVEN has launched a frozen product pickup service and integrated with well-known night markets in Taiwan and online and offline business industry chains to create an economic sphere for the people.
 - 7-ELEVEN cooperates with the epidemic prevention policy to create the most convenient channel for pre-ordering and receiving masks and other epidemic prevention products across Taiwan. In response to the government's Triple Stimulus Vouchers, 7-ELEVEN launched discounts activities, allowing consumers to buy and take anytime.
 - 7-ELEVEN's own brand launched a "production and sales sustainability" plan, with "packaging material reduction", "planned production", and "i treasure", three innovative methods to halve leftover food by 2030 to realize sustainability and environmental protection.
- 2021
- OPEN POINT members exceeded 14 million and membership contribution broke 50%. PCSC enlarged member ecosystem and integrated more than 50 livelihood brands inside and outside the Group, penetrating deep into daily life and enhancing the members' loyalty.
 - PCSC has strengthened the function of OPEN POINT APP and launched a new intelligent group-purchasing function" iGroup-buying". Store managers maintained customer relationships through this function and shared different information depending on different business areas, allowing customers to get the latest information on activities and promotions through the group, attracting millions of members to join in.
 - PCSC entered the food delivery market and acquired the equity of Taiwan's local delivery platform Foodomo (Connection Labs Ltd.). PCSC integrated Group resources to show synergy and provide consumers with more diverse and fast products and services.
 - The opening of the "Fengyi Store" in Kaohsiung marked 7-ELEVEN's 6,000th store in Taiwan. The store design, a response to ESG sustainable development, incorporates the concept of green environmental protection and sustainable development.
 - PCSC launched the first Diversed Lifestyle Center which integrated more than 10 brands, such as COSMED, Starbucks, Mister Donut, and Cold Stone, to showcase innovative and integrated shopping experiences in beauty, health, dining, leisure and entertainment, providing new generation customers ideas for quality living.
 - PCSC surpassed customer expectations by launching various complex modules, such as Veggie Selection, Cold Stone icecream, and Semeur Bakery, satisfying the needs of customers in various business areas with different lifestyles.
 - X-STORE 5, the fifth store of the future store, integrated intelligence, co-branding, and membership to build a new digital life economic circle, introducing a new shopping experience "iscan X ipay" in which the personal smartphone becomes a smart mobile shopping cart, optimizing the shopping experience and further connecting customers with the metaverse.
 - Intelligent vending machines and CITY CAFE intelligent coffee machines are located in major business areas, high tech factories, and government offices, creating a second growth curve in store sales.
 - Aware of rapidly growing trends in the e-commerce C2C market, expanding multiple innovative services such as Quick Collection Service, International shipment, and Cold-chain in-store pickup service to provide a more convenient life.
 - 7-ELEVEN Philippines topped 3,000 stores as it has rapidly adapted to market changes, adjusted and optimized product structure, and strengthened digital services.
 - PCSC has been selected by Deloitte as one of the top 250 retailers in the world for seven consecutive years.
 - PCSC was listed among the Dow Jones Sustainability World Index and Emerging Markets Index for three years in a row. PCSC was selected as FTSE4Good Emerging Index, MSCI Global SRI Indexes, FTSE4Good TIP Taiwan ESG Index and was ranked in the top 5% in the Taiwan Corporate Governance Evaluation System for the seventh year running.
- 2022
- 7-ELEVEN continued to build OPEN POINT cross-channel ecosystem, cooperating with community minimart and life insurance company to provide accumulating points and redeeming products functions across channels, optimizing the digital life experience and driving double-digit growth in member activity.
 - PCSC launched convenient "OPEN NOW" new concept store which focused on fresh and frozen items. It is also connected to a delivery platform to capture the fresh and ready-to-eat food business opportunities.
 - In response to the trend of sustainable development, 7-ELEVEN collaborated with TCC Energy Storage Technology Corporation and Fortune Electric Value Company, introduced the electric vehicle fast charging station to create a convenient digital energy-saving living circle.

3 Corporate Governance

1. Organization

(1) Organization Chart



(2) Responsibilities of Key Groups:

- **Audit Committee:** Enhances Company's internal monitoring mechanism and assists the board of directors in decision-making.
- **Remuneration Committee:** Evaluates Company's remuneration policies and systems.
- **Sustainable Development Committee:** Planning and Implementation of Sustainable Development Policies.
- **Internal Audit Office:** Management and implementation of internal auditing and the internal control system.
- **Board Secretary:** Implement corporate governance and regulations, provide information to directors, and organize and held Board meetings and shareholders' meeting.
- **Ethical Corporate Management Practice Team:** Promotion of ethical policies and preventative measures.
- **Occupational Safety Office:** Management of staff safety and health.
- **Marketing Group:** Taiwan 7-ELEVEN product development and marketing strategy planning.
- **Operation Group:** Operation and planning of Taiwan 7-ELEVEN stores.
- **AI Digital Group:** System management planning and digital innovation services.
- **Administration Group:** Management and planning of back office resource integration.
- **Office of the President:** Administration of strategic planning, operating management, human resources, engineering management, innovation, and new business opportunity.
- **Finance Office:** Management and planning of financial affairs and investor relations.
- **Accounting Office:** Management and planning of accounting and tax affairs.

2. Information on Directors and Management of the Company and Various Departments and Branches

(1) Information on directors:

1. Information on directors:

28 February 2022

Title	Nationality or Place of Registration	Name	Gender	Age		Date Elected to the Board	Term (years)	Date of Initial Election	Shares Held at Time of Election		Current Shareholdings		Shares Held by Spouse or Minor Children		Shareholding by Nominee Arrangements		Education and Experience (Note 3)	Positions Held Concurrently at PCSC and Other Companies	Spouse or Relatives Within the Second-Degree of Consanguinity also Holding Management, Directorial, or Supervisory Positions			Remark (Note 5)
				51-60	61-70				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director Institutional Shareholder	R.O.C	Uni-President Enterprises Corp.	-		2021.07.16	3	1987.06.10	471,996,430	45.40%	471,996,430	45.40%	-	-	-	-	-	-	-	-	-	-	-
Chairman (Representative)	R.O.C	Lo, Chih-Hsien (Note 1)	Male	v	2021.07.16	3	2000.06.15	1,032,215	0.10%	1,032,215	0.10%	1,044,139	0.10%	-	-	-	MBA, UCLA, USA	(Note 4)	Director	Kao, Shioh-Ling	Spouse	-
Director Institutional Shareholder	R.O.C	Kao Chuan Investment Co., Ltd.	-		2021.07.16	3	2009.06.10	5,176,775	0.50%	5,176,775	0.50%	-	-	-	-	-	-	-	-	-	-	-
Director (Representative)	R.O.C	Kao, Shioh-Ling (Note 2)	Female	v	2021.07.16	3	2010.03.20	1,044,139	0.10%	1,044,139	0.10%	1,032,215	0.10%	-	-	-	Marymount College, USA	(Note 4)	Chairman	Lo, Chih-Hsien	Spouse	-
Director (Representative)	R.O.C	Chen, Jui-Tang (Note 1)	Male	v	2021.07.16	3	2012.06.21	13,652	-	13,652	-	-	-	-	-	-	BA, Dept. of Economics, National Taiwan University	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Huang, Jui-Tien (Note 1)	Male	v	2021.07.16	3	2015.06.18	15,391	-	15,391	-	-	-	-	-	-	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Huang, Jau-Kai (Note 1)	Male	v	2021.07.16	3	2015.06.18	-	-	-	-	-	-	-	-	-	Accounting, Shih Chien University	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Su, Tsung-Ming (Note 1)	Male	v	2021.07.16	3	2008.02.14	-	-	-	-	-	-	-	-	-	MBA, University of Iowa, USA	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Wu, Liang-Feng (Note 1)	Male	v	2021.07.16	3	2018.02.24	-	-	-	-	-	-	-	-	-	BA in Japanese, Tamkang University	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Wu, Kun-Lin (Note 1)	Male	v	2021.07.16	3	2017.11.02	-	-	-	-	-	-	-	-	-	BBA in Business Administration, National Cheng Kung University	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Wu, Tsung-Pin (Note 1)	Male	v	2021.07.16	3	2012.06.21	-	-	-	-	-	-	-	-	-	Accounting, Chung Yuan Christian University	(Note 4)	-	-	-	-
Director (Representative)	R.O.C	Wu, Wen-Chi (Note 1)	Female	v	2021.07.16	3	2015.06.18	556	-	556	-	737	-	-	-	-	BA, School of Accountancy, University of Missouri at Columbia, USA	(Note 4)	-	-	-	-
Independent director	R.O.C	Hsu, Ke-Wei	Male	v	2021.07.16	3	2021.07.16	-	-	-	-	-	-	-	-	-	Master of Laws (LL.M.), University of Pennsylvania Law School ; Master of Business of Administration (MBA), University of Pennsylvania Wharton School	(Note 4)	-	-	-	-
Independent director	R.O.C	Chen, Liang	Male	v	2021.07.16	3	2021.07.16	-	-	-	-	-	-	-	-	-	MBA, Baruch College of CUNY	(Note 4)	-	-	-	-
Independent director	R.O.C	Hung, Yung-Chen	Male	v	2021.07.16	3	2018.06.12	-	-	-	-	-	-	-	-	-	PhD, Information Engineering, National Taiwan University	(Note 4)	-	-	-	-

Note 1: Representative of Uni-President Enterprises Corp.

Note 2: Representative of Kao Chuan Investment Co., Ltd.

Note 3: For more information on the experience of directors (including independent directors), please refer to the Positions Concurrently Held by Directors (including Independent Directors) in Other Companies table on page 92 of this report.

Note 4: For more information on the positions held by directors (including independent directors), please refer to the Positions Concurrently Held by Directors (including Independent Directors) in Other Companies table on page 92 of this report.

Note 5: The relationship between the Chairman and President of the company is not the same person, spouse, or first-degree relatives.

Note 6: As of 28 February 2022, average tenure of incumbent directors is 7 years and 8 months.

2. Directors are representatives of institutional shareholders. The top ten major shareholders in such institutional shareholders (including % of stocks held) are as follows:

17 September 2021

Name of Institutional Shareholder	Principal Shareholders in PCSC Institutional Shareholders
Uni-President Enterprises Corp.	Kao Chuan Inv. Co., Ltd.(5.00%); Cathay Life Insurance(3.41%); BNP Paribas Wealth Management HK. Branch (3.02%); Hou, Po-Ming (2.60%); Hou, Po-Yu (2.27%); The Overlook Partners Fund L.P. (1.69%); Shioh-Ling Kao(1.64%); JPMorgan Chase Bank N.A. Taipei Branch in custody for Saudi Arabian Monetary Agency(1.47%); Labor Pension Fund (New Scheme) (1.33%); Norges Bank - internal - NBIM PF EQ INTERNAL CFD(1.27%)
Kao Chuan Investment Co., Ltd.	Infinity Holdings Ltd.(51.11%); Eternity Holdings Ltd.(48.89%)

3. Below is a list of the top 10 shareholders (including % of stocks held) in the principal shareholders in PCSC institutional shareholders listed above who are themselves institutional shareholders:

31 December 2021

Name of Institutional Shareholder	Principal Shareholders in Institutional Shareholders
Cathay Life Insurance	Cathay Financial Holdings Co., Ltd.(100%)
Infinity Holdings Ltd.	Kao, Shioh-Ling (55.91%); Lo, Chih-Hsien (20.27%); Kao, Han-Di (7.94%); Kao, Tsu-Yi (7.94%); Lo, Hsi-Ai (7.94%)
Eternity Holdings Ltd.	Kao, Shioh-Ling (70.77%); Lo, Chih-Hsien (21.18%); Kao, Han-Di (3.36%); Kao, Tsu-Yi (2.45%); Lo, Hsi-Ai (2.24%)

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualifications	Professional qualifications and experience (Note1)	Independence	Number of independent directorships held in other public companies
Name			
Lo, Chih-Hsien	Current position: Chairman of Uni-President Enterprise Corp. Education : MBA, UCLA, U.S.A Experience : President of Uni-President Enterprise Corp.		-
Kao, Shioh-Ling	Current position : Chairman of Kao Chuan Inv. Co., Ltd. Education : Marymount College U.S.A. Experience : Director of President Chain Store Corp.		-
Chen, Jui-Tang	Current position : Special Assistant to Chairman of President Chain Store Corp. Education : BA, Dept of Economics, National Taiwan University Experience : Director of President Chain Store Corp.		-
Huang, Jui-Tien	Current position : President of President Chain Store Corp. Education : Master Degree in Marketing, National Kaohsiung First University of Science and Technology Experience : Director of President Chain Store Corp.		-
Wu, Liang-Feng	Current position : Director of President Chain Store Corp. Education : Japanese, Tamkang University, Experience : Director of TTET UNION CORPORATION		-
Su, Tsung-Ming	Current position : Director of President Chain Store Corp. Education : MBA, Iowa State University, USA Experience : Chief Financial Officer of Uni-President Enterprise Corp.		-
Huang, Jau-Kai	Current position : President of Uni-President Enterprise Corp. Education : Accounting, Shih Chien University Experience : Director of TON YI INDUSTRIAL CORP.		-
Wu, Kun-Lin	Current position : Director of President Chain Store Corp. Education : Business Administration, National Cheng Kung University Experience : Director of PRESIDENT NISSHIN CORP.		-
Wu, Tsung-Pin	Current position : Director of President Chain Store Corp. Education : Accounting, Chung Yuan Christian University Experience : Supervisor of TAIT MARKETING & DISTRIBUTION CO., LTD.		-

Qualifications	Professional qualifications and experience (Note1)	Independence	Number of independent directorships held in other public companies
Name			
Wu, Wen-Chi	Current position : Chief Financial Officer of President Chain Store Corp. Education : BA, School of Accountancy, University of Missouri at Columbia, USA Experience : Director of President Chain Store Corp.		-
Hsu, Ke-Wei	Current position: Independent Director of Nidec Chaun-Choung Technology Corp. Education : Master of Laws (LL.M.), University of Pennsylvania Law School ; Master of Business of Administration (MBA), University of Pennsylvania Wharton School Experience : legal advisor of HOLDING DISP. CO., LTD., General Counsel and legal advisor of NEOBARDS ENTERTAINMENT LTD., Senior Consultant of Jones Day International Law Firm	In accordance with the Law, the Company has obtained a written statement from independent directors Hsu, Ke-Wei confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	1
Chen, Liang	Current position: Chairman of Peak Capital Holdings Inc. Education : MBA, Baruch College of CUNY Experience : Supervisor of FIRST COMMERCIAL BANK CO., LTD.	In accordance with the Law, the Company has obtained a written statement from independent directors Chen, Liang confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	-
Hung, Yung-Chen	Current position: Professor, the Department of Computer Science and Information Management, Soochow University Education : Ph.D. in Information Engineering, National Taiwan University Experience : Director of HUA VI VENTURE CAPITAL CORPORATION, Arbitrator of Taiwan Construction Arbitration Association, Arbitrator of Chinese Arbitration Association Taipei, Arbitrator of Shanghai International Economic and Trade Arbitration Commission, Dispute Reviewer of Beijing Arbitration Commission.	In accordance with the Law, the Company has obtained a written statement from independent directors Hung, Yung-Chen confirming that they, their spouses, second degree relatives, etc., are not directors, supervisors or employees of the Company or any of its affiliates. No independent directors, their spouses, or their relatives within the second degree of relatives (or by using the names of others) hold any shares in the Company. Not an independent director is a director, supervisor or employee of a company with which the Company has a specific relationship. No independent directors have provided business, legal, financial or accounting services to the Company or its affiliates in the last two years.	-

Note 1: Professional qualifications and experience: The company did not comply with the provisions of Article 30 of the Companies Act.

5. Board Diversity and Independence :

(1) Board Diversity:

- To strengthen the functions of the Board of Directors and to promote the sound development of the composition and structure of the Board of Directors, the Company has established a diversity policy in Corporate Governance Best Practice Principles and the Procedures for Election of Directors.
- In accordance with the Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the Board of Directors takes into consideration the diversity policy. In addition to the fact that the number of directors who are also managers of the Company shall not exceed one-third of the number of directors, the Company shall formulate appropriate diversity policies with respect to its own operations, business model and development needs, including but not limited to the following two major criteria to ensure that the directors of the company meet specific management objectives of professionalism and diversity:
 - Basic conditions and values: gender, age, etc.
 - Professional knowledge and skills: professional background, professional skills and industry experience, etc.
- Please refer to the composition and duties of the Board of Directors in P.32 "Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/ GTSM Listed Companies and reasons for differences" of the annual report for the implementation of diversity of the Company's board of directors.

4. In accordance with Article 20 of the Corporate Governance Best Practice Principles of the Company, the Board of Directors as a whole shall have the following competencies:

(1) Operational judgement (2) Accounting and financial analysis skills (3) Administration Capability (4) Crisis Management Capability (5) Industry knowledge (6) International Markets perspectives (7) Leadership and (8) Decision-making capability.

The diversity of individual director: (Note 1)

(2) Independence of the Board of Directors:

The Company has three independent directors, accounting for 23% of the total number of directors in accordance with the Company's regulations. The Company also conducts a qualification check and issues a declaration letter for each independent director at the time of election, and obtains a declaration letter for each independent director's independence and concurrent employment requirements, confirming that there are no circumstances specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. More than half of the directors of the Company are not related to each other as spouses or second degree relatives. None of the independent directors are related to each other as described in the preceding paragraph. (Note 2)

Note 1: Diversity of individual directors

Item Director Name	Gender	Academic Background	1	2	3	4	5	6	7	8
			Operational judgement	Accounting and financial analysis skills	Administration	Crisis Management	Industrial Knowledge	International Markets perspectives	Leadership	Decision-making
Lo, Chih-Hsien	Male	Business Administration	V	V	V	V	V	V	V	V
Kao, Shiow-Ling	Female	Business	V		V	V	V	V	V	V
Chen, Jui-Tang	Male	Economics	V	V	V	V	V	V	V	V
Huang, Jui-Tien	Male	Marketing and retail management	V	V	V	V	V	V	V	V
Wu, Liang-Feng	Male	Japanese	V	V	V	V	V	V	V	V
Su, Tsung-Ming	Male	Business Administration	V	V	V	V	V	V	V	V
Huang, Jau-Kai	Male	Business	V	V	V	V	V	V	V	V
Wu, Kun-Lin	Male	Business Administration	V	V	V	V	V	V	V	V
Wu, Tsung-Pin	Male	Finance and Accounting	V	V	V	V	V	V	V	V
Wu, Wen-Chi	Female	Finance and Accounting	V	V	V	V	V	V	V	V
Hsu, Ke-Wei	Male	Law/ Business Management	V	V	V	V	V	V	V	V
Chen, Liang	Male	Business Administration	V	V	V	V	V	V	V	V
Hung, Yung-Chen	Male	Information management	V	V	V	V	V	V	V	V

Note 2: Independence and Professional Expertise of Board Members:

Item Name	Has over 5 years of work experience and the below professional qualifications			Independence Ranking (Note)												Number of independent directorships held in other public companies
	Holds the position of lecturer (or above) at public or private college or university in business, law, finance, accounting or company operations	Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	Work experience in business, law, finance, accounting or company operations	1	2	3	4	5	6	7	8	9	10	11	12	
Lo, Chih-Hsien			V											V		–
Kao, Shioh-Ling			V	V										V		–
Chen, Jui-Tang			V			V							V	V		–
Huang, Jui-Tien			V			V		V	V	V			V	V		–
Huang, Jau-Kai			V			V							V	V		–
Su, Tsung-Ming		V	V			V							V	V		–
Wu, Liang-Feng			V			V							V	V		–
Wu, Kun-Lin			V			V							V	V		–
Wu, Tsung-Pin			V			V							V	V		–
Wu, Wen-Chi			V			V		V	V	V			V	V		–
Hsu, Ke-Wei			V	V	V	V	V	V	V	V	V	V	V	V	V	1
Chen, Liang			V	V	V	V	V	V	V	V	V	V	V	V	V	–
Hung, Yung-Chen	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	–

Note: All board members met with the following conditions for the two years leading up to assuming their posts and while they held their posts. Please place a tick mark "V" in the box under number that represents their situation.

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates.;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3;
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company;
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000";
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
- (11) Not been a person of any conditions defined in Article 30 of the Company Law; and
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(2) Information on the company president, senior vice presidents, vice presidents, and division heads:

28 February 2022

Title	Nationality	Name	Gender	Date Assumed Current Position	Current Shareholdings		Shares Held by Spouse or Minor Children		Shareholding by Nominee Arrangements		Education and Experience (Note 1)	Positions Held Concurrently at Other Companies	Spouse or Relatives Within the Second-Degree of Consanguinity also Holding Management, Directorial, or Supervisory Positions			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C	Huang, Jui-Tien	Male	2018.06.20	15,391	–	–	–	–	–	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 2)	–	–	–	–
Special Assistant to Chairman	R.O.C	Chen, Jui-Tang	Male	2018.06.20	13,652	–	–	–	–	–	BA, Economics, National Taiwan University	(Note 2)	–	–	–	–
Vice President	R.O.C	Hsieh, Lien-Tang	Male	2012.08.01	–	–	113	–	–	–	BA, Business Administration, Chinese Culture University	(Note 2)	–	–	–	–
Vice President	R.O.C	Lin, Chi-Chang	Male	2013.01.01	717	–	–	–	–	–	BA, Social Work, Soochow University	(Note 2)	–	–	–	–
Vice President	R.O.C	Chang, Chia-Hua	Male	2020.10.30	–	–	3,411	–	–	–	MBA, National Taiwan University	(Note 2)	–	–	–	–
Chief Financial Officer (Vice President)	R.O.C	Wu, Wen-Chi	Female	2010.04.01	556	–	737	–	–	–	BA, Accounting, University of Missouri, USA	(Note 2)	–	–	–	–
Chief Accounting Officer (Vice President)	R.O.C	Lee, Johnyih	Male	2020.08.15	–	–	–	–	–	–	MA, Finance, Texas A&M University, USA	(Note 2)	–	–	–	–
Vice President	R.O.C	Lin, Hung-Chun	Male	2014.10.15	1,129	–	–	–	–	–	BA, Business Administration, Aletheia University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Hsieh, Kuan-Hung	Male	2018.01.01	1,838	–	29,285	–	–	–	BA, Food and Nutrition, Fu Jen University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Hsu, Kwang-Yu	Male	2018.02.23	17,890	–	–	–	–	–	BA, Journalism, Chinese Culture University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Hsieh Hung, Hui-Tzu	Female	2014.06.19	282	–	–	–	–	–	MBA, National Cheng Kung University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Wu, Hui-Chen	Male	2019.03.01	–	–	–	–	–	–	BA, Business Administration, Tunghai University	(Note 2)	–	–	–	–
Project Vice President	R.O.C	Chang, Kuo-Kuang	Male	2019.08.02	–	–	–	–	–	–	Master Degree in Marketing, National Kaohsiung First University of Science and Technology	(Note 2)	–	–	–	–

Note 1: For more information on the background of Company management, please refer to the Positions Concurrently Held by Management in Other Companies table on page 94 of this report.

Note 2: For the list of positions held by the management team in other companies, please refer to the Positions Concurrently Held by Management in Other Companies table on page 94 of this report.

Note 3: The relationship between the Chairman and President of the company is not the same person, spouse, or first-degree relatives.

Compensation Level	Names of Directors			
	A+B+C+D		A+B+C+D+E+F+G	
	PCSC	All consolidated companies	PCSC	Parent company and all consolidated companies
Less than NT\$1,000,000	Kao, Shioh-Ling; Su, Tsung-Ming; Wu, Tsung-Pin; Wu, Liang-Feng; Wu, Kun-Lin; Huang, Jau-Kai; Chen, Jui-Tang; Huang, Jui-Tien; Wu, Wen-Chi; Wang, Wen-Yeu; Shu, Pei-Gi; Hsu, Ke-Wei; Chen, Liang	Su, Tsung-Ming; Wu, Tsung-Pin; Wu, Liang-Feng; Wu, Kun-Lin; Huang, Jau-Kai; Wu, Wen-Chi; Wang, Wen-Yeu Shu, Pei-Gi; Hsu, Ke-Wei; Chen, Liang	Kao, Shioh-Ling; Su, Tsung-Ming; Wu, Tsung-Pin; Wu, Liang-Feng; Wu, Kun-Lin; Huang, Jau-Kai; Wang, Wen-Yeu Shu, Pei-Gi; Hsu, Ke-Wei; Chen, Liang	Wu, Liang-Feng; Wang, Wen-Yeu; Shu, Pei-Gi; Hsu, Ke-Wei; Chen, Liang
NT\$1,000,000 (incl.)~NT\$2,000,000	Lo, Chih-Hsien; Hung, Yung-Chen	Chen, Jui-Tang; Huang, Jui-Tien; Hung, Yung-Chen	Lo, Chih-Hsien; Hung, Yung-Chen	Hung, Yung-Chen
NT\$2,000,000 (incl.)~NT\$3,500,000	—	Lo, Chih-Hsien; Kao, Shioh-Ling	—	—
NT\$3,500,000 (incl.)~NT\$5,000,000	—	—	—	—
NT\$5,000,000 (incl.)~ NT\$10,000,000	—	—	—	Wu, Kun-Lin;
NT\$10,000,000 (incl.)~ NT\$15,000,000	Kao Chuan Investment Co., Ltd.	Kao Chuan Investment Co., Ltd.	Kao Chuan Investment Co., Ltd.; Wu, Wen-Chi	Kao Chuan Investment Co., Ltd.; Wu, Wen-Chi
NT\$15,000,000 (incl.)~ NT\$30,000,000	—	—	Chen, Jui-Tang	Kao, Shioh-Ling; Chen, Jui-Tang; Huang, Jau-Kai; Su, Tsung-Ming; Wu, Tsung-Pin
NT\$30,000,000 (incl.)~ NT\$50,000,000	—	—	Huang, Jui-Tien	Huang, Jui-Tien
NT\$50,000,000 (incl.)~NT\$100,000,000	—	—	—	—
NT\$100,000,000 and above	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.	Uni-President Enterprises Corp.; Lo, Chih-Hsien
Total	17	17	17	17

2. President and senior vice president remuneration:

31 December 2021 / Unit: NT\$1000

Title	Name	Salary (A)		Pensions(B)		Bonus and Special Allowance (C) (Note 1)		Earnings Distribution to Employees (D) (Note 2)				Summation of A, B, C, and D as a % of After-Tax Income				Compensation from parent company and affiliates other than subsidiaries
		PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC	All consolidated companies	PCSC		All consolidated companies		PCSC	PCSC proportion	All consolidated companies	All consolidated companies proportion	
								Cash	Stock	Cash	Stock					
President	Huang, Jui-Tien															
Special Assistant to Chairman	Chen, Jui-Tang	17,514	19,354	432	432	31,808	32,438	2,927	-	2,927	-	52,680	0.59%	55,150	0.62%	300

Note 1: Includes car leasing expenses for managers.

Note 2: Earnings distribution for 2021 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Compensation Level	Names of the President and Senior Vice Presidents	
	PCSC	Parent company and all consolidated companies
Less than NT\$1,000,000	—	—
NT\$1,000,000 (incl.)~NT\$2,000,000	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000	—	—
NT\$3,500,000 (incl.)~NT\$5,000,000	—	—
NT\$5,000,000 (incl.)~NT\$10,000,000	—	—
NT\$10,000,000 (incl.)~NT\$15,000,000	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000	Chen, Jui-Tang	Chen, Jui-Tang
NT\$30,000,000 (incl.)~NT\$50,000,000	Huang, Jui-Tien	Huang, Jui-Tien
NT\$50,000,000 (incl.)~NT\$100,000,000	—	—
NT\$100,000,000 and above	—	—
Total	2	2

3. Earnings distribution as remuneration to Company management:

31 December 2021/ Unit: NT\$1000

	Title	Name	Stock	Cash	Total	Total as a % of After-Tax Income
Management	President	Huang, Jui-Tien	—	11,678	11,678	0.13%
	Special Assistant to Chairman	Chen, Jui-Tang				
	Vice President	Hsieh, Lien-Tang				
	Vice President	Lin, Chi-Chang				
	Vice President	Chang, Chia-Hua				
	Vice President	Wu, Wen-Chi				
	Vice President	Lee, Johnyih				
	Vice President	Lin, Hung-Chun				
	Project Vice President	Hsieh, Kuan-Hung				
	Project Vice President	Hsu, Kwang-Yu				
	Project Vice President	Hsieh Hung, Hui-Tzu				
	Project Vice President	Wu, Hui-Chen				
	Project Vice President	Chang, Kuo-Kuang				

Note 1: Earnings distribution for 2021 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

(4) The below includes analysis of total remuneration (as a percentage of net income) given to directors, president and senior vice presidents by PCSC and all consolidated companies over the past two years along with a discussion of the remuneration policies, standards, arrangements, procedures for defining compensation and the relationship between remuneration packages and the company's performance and future risk:

1. Remuneration paid over the past two years as a percent after-tax net income:

Title		Directors	President and Senior Vice Presidents
2021 (Note)	PCSC	2.56%	0.59%
	All consolidated companies	2.83%	0.62%
2020 (Note)	PCSC	2.56%	0.92%
	All consolidated companies	2.80%	0.95%

Note: PCSC's net income after tax in 2021 was NT\$8,861,619,000. PCSC's net income after tax in 2020 was NT\$10,238,162,000.

2. Remuneration policy, standards, and arrangements, the procedures for determining remuneration, and the relationship between remuneration and company performance:

- (1) PCSC's remuneration policy is based on the Company's business strategy, human resource policy, and financial capability. Every year, the Company participates in salary surveys undertaken by specialist salary survey organizations; the company's remuneration levels are then reviewed based on the results of these surveys.
- (2) According to Article 32 of PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no more than 2% of said surplus shall be distributed as director remuneration. Reasonable compensation has been assessed and given to directors based on PCSC's operational achievements, continuous educations, engagement of business sustainability, and the director's respective contribution to the Company which includes financial KPIs such as company's profitability. Relevant performance and reasonableness of remuneration are to be assessed by PCSC's remuneration committee and the Board of Directors. The remuneration system is to be reviewed and adjusted as necessary based on actual operational status and relevant regulations as PCSC seeks to realize sustained operations and risk management.
- (3) Remuneration paid to the PCSC president, senior vice presidents and vice presidents is set according to their individual performance including financial KPIs, such as company's profitability, and their contribution to the company's operations. Said remuneration shall also conform to PCSC's remuneration regulations and take into consideration typical remuneration levels paid by other companies (using data compiled by market research firms). Bonuses shall be awarded based on PCSC's performance management regulations and take into consideration both PCSC's operating performance and the individual's own performance.

3. Implementation of Corporate governance

(1) Operations of the Board of Directors:

As of publication of the Annual Report, there had been a total of 8 (A) meetings of the Board of Directors over the past fiscal year. Director attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended by Proxy	Personal Attendance Rate (B/A)	Remarks
Chairman	Uni-President Enterprises Corp. Lo, Chih-Hsien	8	0	100%	Note 1
Director	Kao Chuan Investment Co., Ltd. Kao, Shiow-Ling	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Chen, Jui-Tang	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Huang, Jui-Tien	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Huang, Jau-Kai	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Su, Tsung-Ming	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Wu, Liang-Feng	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Wu, Kun-Lin	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Wu, Tsung-Pin	8	0	100%	Note 1
Director	Uni-President Enterprises Corp. Wu, Wen-Chi	8	0	100%	Note 1
Independent Director	Hsu, Ke-Wei	5	0	100%	The term of new independent directors started from July 16, 2021
Independent Director	Chen, Liang	5	0	100%	The term of new independent directors started from July 16, 2021
Independent Director	Hung, Yung-Chen	8	0	100%	Note 2
Independent Director	Wang, Wen-Yeu	3	0	100%	The term of former independent directors expired until July 16, 2021
Independent Director	Shu, Pei-Gi	3	0	100%	The term of former independent directors expired until July 16, 2021

Note 1: Re-elected as director, the re-election date is July 16, 2021.

Note 2: Re-elected as independent directors, the re-election date is July 16, 2021.

Other issues to be noted:

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:
 - (1) Issue specified in Article 14-3 of the Securities and Exchanges Act: The Company has set up an Audit Committee, so it is not applicable of Article 14-3 of the Securities and Exchange Act. Please refer to page 30 "Operations of the Audit Committee" for more information regarding to Article 14-5 of the Securities and Exchange Act.
 - (2) Other issues opposed by independent directors or about which said directors have reservations should be recorded in writing in the meeting minutes of the Board: None.
2. Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted:
 - (1) On August 3, 2021, the board of directors proposed the following issues:
 - President appointment: Director Chen, Jui-Tang, Director Huang, Jui-Tien, Director Wu, Wen-Chi, who are managers of the Company, and the directors present who should be recused, are requested to temporarily leave the meeting for recusal of interest. Except for the above-mentioned directors who were recused due to their interests, the other directors present unanimously resolved to appoint Mr. Huang, Jui-Tien as the president of the Company for the same term as the current Board of Directors.
 - Appointment of Members of the Fifth Remuneration Committee: Director Hsu, Ke-Wei, Director Chen Liang and Director Hung, Yung-Chen, who are independent directors of the Company, are requested to disqualify themselves for recusal of interest. With the exception of the above-mentioned directors who were recused due to interest, the Chairman consulted the other directors present and approved the proposal as presented.
 - PCSC signed the management consulting contracts: The interested parties of the directors present in this case - the nine directors of Uni-President Enterprises Corp. Representative, the Chairman of the Board of Directors, Mr. Lo, Chih-Hsien and his spouse, Kao, Shioh-Ling, the Chairman of the Board of Directors of Kao Chuan Investment Co., Ltd., were to recuse themselves from the case; the Chairman appointed Director Hung, Yung-Chen to act as the Chairman. Except for the above-mentioned directors who were recused due to interest, the acting Chairman consulted the other directors present and approved the proposal as written.
 - (2) PCSC's board of directors proposal discussion on December 10, 2021:
 - PCSC 2022 donation plans: Director Huang, Jui-Tien serves as the director of Taiwan Millennium Health Foundation, and recused himself from discussion and voting due to conflicts of interest; Vice President Lin, Chi-Chang serves as the chairman of President Chain Store Good Neighbor Foundation; group leaders Lee, Tsung-Hsien, Kuo, Ching-Feng, and the department manager Hsu, Yi-Shiung, serve as the directors of President Chain Store Good Neighbor Foundation recused themselves to avoid conflict of interests. Except for the above-mentioned directors who withdrew due to recusal of interest, the other director present and approved the proposal as written.
 - PCSC intends to dispose of the right-of-use assets of the real estate to 21 Century Co., Ltd.: Group leader Kuo, Ching-Feng should recuse himself from interest as a director of 21 Century Co., Ltd. The resolution was approved by the Chairman with the consent of the directors present.
 - PCSC intends to dispose of the right-of-use assets of the real estate to President Natural Industrial Corporation: The interested parties of the directors present in this case - the nine directors of Uni-President Enterprises Corp. Representative, the Chairman of the Board of Directors, Mr. Lo, Chih-Hsien and his spouse, Kao, Shioh-Ling, the Chairman of the Board of Directors of Kao Chuan Investment Co., Ltd., should recuse themselves from the case; the Chairman appointed Director Hung, Yung-Chen to act as the Chairman. Except for the above-mentioned directors who were recused due to interest, the acting Chairman consulted the other directors were present and approved the proposal as written.
 - (3) PCSC's Board of Directors meeting on February 24, 2022 discussed: The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties. The 10 directors of Uni-President Enterprises Corp. and Kao Chuan Investment Co., Ltd., the legal representatives of the two companies present in this case, should recuse themselves from the case and not vote. The chairman appointed independent director Hung, Yung-Chen to act as chairman. With the exception of the above-mentioned directors who are recused due to interest, the acting chairman consulted the other directors were present and approved the proposal as presented.
3. TWSE/GTSM listed companies shall disclose evaluation cycles, periods, scopes, methods, and details used to conduct general self-evaluations (or peer evaluations) for their boards: The proposal for Performance Evaluation Guidelines and Evaluation Methods for the Board of Directors was raised and adopted during the company board meeting held on November 1, 2019. PCSC will hold company board meetings, the Audit Committee and Remuneration Committees, to conduct self-evaluations and peer evaluations and report the results before the end of the first quarter of the following year starting in 2020.
4. During this and recent fiscal years, PCSC has worked to strengthen the function of the Board (e.g., establishing the Audit Committee and enhancing information transparency) and evaluate the implementation of such measures:
 - (1) On March 8, 2005, in accordance with the Company's Corporate Governance Code of Practice, PCSC established Rules of Procedure for Board Meetings, which was reported to the General Shareholder's Meeting held on June 14, 2005. On February 27, 2019, in accordance with the amended TWSE Company's Corporate Governance Code of Practice received by PCSC from the competent authority on December 12, 2018, PCSC passed the revised content of the Company's Corporate Governance Code of Practice during the 6th meeting of the 12th board. On February 27, 2020, in accordance with the amended Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers announced on January 2, 2020, PCSC passed the revised content of the Company's Corporate Governance Code of Practice during the 14th meeting of the 12th board. On February 24, 2022, in accordance with the amended TWSE Company's Corporate Governance Code of Practice received by PCSC from the competent authority on December 8, 2021, PCSC passed the revised content of the Company's Corporate Governance Code of Practice.
 - (2) In accordance with the addition of independent directors and regulations issued by the Financial Supervisory Commission R.O.C., during the Board meetings held on March 21, 2012 and December 19, 2012, PCSC revised the functions of independent directors and regulations governing director recusal due to conflict of interest. To ensure even stronger supervisory capabilities of the Company's Board, on August 19, 2011, PCSC established the Remuneration Committee and then, on June 21, 2012, further established the Audit Committee.
 - (3) To enhance corporate governance, on August 3, 2018, the Company's Board passed a resolution to add a Board of Directors Secretariat directly under the Board of Directors and appoint Hsieh Hung Hui-tzu project vice president in the President's Office to assist the Board of Directors Secretariat carry out its oversight and management duties, providing directors (including independent directors) the information they need to perform their duties, assisting directors (including independent directors) to adhere to the laws and regulations, and performing tasks related to Board of Directors and shareholder meetings in accordance with the law.
 - (4) To enhance the Board of Directors' structure and operations as stipulated by relevant laws and regulations, on December 12, 2018, the Company's Board passed a resolution to establish a functional CSR Committee directly responsible to the Board and drew up organizational procedures for the CSR Committee. The organizational procedures of the CSR Committee stipulate that the committee is to consist of six members, who are three independent directors and three high-level managers. In accordance with the "Corporate Governance 3.0 - Sustainable Development Blueprint" launched by the FSC in 2020, the current "PCSC CSR Committee" has been renamed to "PCSC Sustainable Development Committee" in order to strengthen sustainable governance. In conjunction with the re-election of directors (including independent directors) in 2021, the six members are project vice president Hsu, Kwang-Yu as chairman, vice president Wu, Wen-Chi as deputy chairman, project vice president Wu, Hui-Chen as secretary general, and three members are independent directors: Hsu, Ke-Wei, Chen, Liang and Hung, Yung-Chen.
 - (5) In accordance with the Regulations Governing Procedures for Board of Directors Meetings of Public Companies issued by the Financial Supervisory Commission, R.O.C. on January 15, 2020, PCSC passed the revised content of Rules of Procedures for Board Meetings during the 14th meeting of 12th board on February 27, 2020.
 - (6) During the period from January 1, 2021 to February 28, 2022, proposals which, according to the Company Act and Article 14-3, 14-5 of the Securities and Exchanges Act, are to be approved by the Audit Committee before they are sent to the Board for discussion and voting, were approved by the Audit Committee before being adopted and implemented by the Board.

(2) Implementation of conducting evaluations of the Board:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation methods	Evaluation details
Execute once a year	January 1, 2021 to December 31, 2021	Performance evaluation of the board of directors, individual directors and functional committees	Self-evaluation of operational performance by the board of directors, self-evaluation of the performance by individual directors and self-evaluation of the operational performance by functional committees	<p>(1) Aspects of board performance evaluation:</p> <ul style="list-style-type: none"> • Participation in the Company operations • Improve the quality of board decisions • Board composition and structure • Director selection and continuing education • Internal control <p>(2) Aspects of individual director performance evaluation:</p> <ul style="list-style-type: none"> • Mastery of the Company goals and tasks • Awareness of directors' duties • Participation in the Company operations • Internal relationship management and communication • Professional competence and continuing education of directors • Internal control <p>(3) Aspect of functional committee performance evaluation:</p> <ul style="list-style-type: none"> • Participation in the Company operations • Awareness of functional committee's duties • Improve decision-making quality of functional committees • Composition of functional committee and selection of members • Internal control

Board performance evaluation results:

The board of directors, individual board members and various functional committees operate well, and have a good grasp of the goals and tasks of the company and committees, which are in line with the company's operational needs and effectively promote the company Sustainable operation, social responsibility, risk management and long-term strategic development to implement the spirit of corporate governance.

Based on the results of this performance evaluation, the company will continue to improve the functions of the board of directors to improve the effectiveness of corporate governance.

Note: The average actual attendance of the directors of the company (excluding proxy attendance), must reach 80%.

(3) Operations of the Audit Committee:

1. The purpose of the Audit Committee is to assist the Board in the execution of its duties to supervise and implement the Company Act, the Securities and Exchanges Act, and other related laws. On June 21, 2012, PCSC established the Audit Committee, which is consist of three independent directors. The Audit Committee holds at least one meeting every quarter. During its five meetings in 2021, it primarily discussed the following items:

- (1) Reviewing financial reports: The Board prepared the Company's 2020 business report, financial statements, and proposal for allocation of 2020 profits. The independent auditors of PRICEWATERHOUSECOOPERS audited PCSC's financial statements and issued an audit report on the financial statements. The business report, financial statements, and profit allocation proposal were reviewed and determined to be correct and accurate by the Audit Committee members of President Chain Store Corp.
- (2) Evaluating the effectiveness of the Company's internal control system: The Audit Committee evaluates the policies and procedures of the Company's internal control systems and reviews the Company's Audit Department and external auditors, and examines regular managerial reports.
- (3) Appointing external auditors: The Audit Committee has the responsibility to ensure the independence of accounting firms and the accuracy of financial reports. PCSC passed the proposal to evaluate the independence of the external auditors on February 25, 2021.

2. As of publication of the Annual Report, there had been a total of 7 (A) meetings of the Audit Committee over the past fiscal year. Independent director attendance is detailed below:

Title	Name	Meetings Attended (B)	Meeting attend by Proxy	Attendance Rate (%) [B/A] (Note)	Remarks
Independent Director	Chen, Liang	5	0	100 %	The term of new independent directors started from July 16, 2021
Independent Director	Hsu, Ke-Wei	5	0	100 %	The term of new independent directors started from July 16, 2021
Independent Director	Hung, Yung-Chen	7	0	100 %	—
Independent Director	Wang, Wen-Yeu	2	0	100 %	The term of former independent directors expired until July 16, 2021
Independent Director	Shu, Pei-Gi	2	0	100 %	The term of former independent directors expired until July 16, 2021

Other issues to be noted:

- In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:
 - Issues specified in Article 14-5 of the Securities and Exchange Act:
 - Other matters not passed by the Audit Committee, which were then agreed upon by two-thirds of the entire membership of the Board of Directors: None.
- In situations where independent directors recuse themselves due to conflict of interest, the independent director's name, content of the resolution, reason for recusal, and his or her voting participation should be properly recorded: None.
- Communication between independent directors and internal audit managers and external auditors (regarding issues such as Company financial and operational status, procedures, and results):
 - The Company's internal audit managers provide Audit Committee members with regular updates on audit report results and follow-up during the Audit Committee Meeting. If a special situation should arise, internal audit managers shall immediately report to the Audit Committee. Items that the Audit Committee and internal audit manager discussed in 2021 are as follows, all independent directors had no opinion:

Date	Items Discussed
2021/02/25	October 2020- January 2021 audit execution report
2021/05/03	February -March 2021 audit execution report
2021/08/02	April -June 2021 audit execution report
2021/11/01	1. July - September 2021 audit execution report 2. 2022 Audit Plan
2022/02/23	October 2021- January 2022 audit execution report

- The Company retains external auditors who, after auditing the financial statement, report their findings to the Audit Committee and discuss any additional matters as required by law. If a special situation should arise, external auditors shall immediately report to the Audit Committee. In 2021, the Audit Committee and the independent auditors retained by the Company discussed the following items, all independent directors had no opinion:

Date	Items Discussed
2021/02/25	The independent auditors discussed the 2020 financial report.
2021/05/03	The independent auditors discussed the Q1 of the 2021 financial report.
2021/08/02	The independent auditors discussed the Q2 of the 2021 financial report.
2021/11/01	The independent auditors discussed the Q3 of the 2021 financial report.
2022/02/23	The independent auditors discussed the 2021 financial report.

(4) Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons for differences:

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Did PCSC establish its Corporate Governance Best Practice Principles in accordance with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and disclose those Principles?	V		In order to establish a sound corporate governance system, the Company considered regulations set forth in the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies coproduced by TWSE and GTSM and passed the Corporate Governance Best Practice Principles at the meeting of the board on 19 December 2014. In addition, to meet with requirements as stipulated in regulations at the meeting of the board on 24 February, 2022. For more information regarding the Company's Corporate Governance Best Practice Principles, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.	Compliant
2. Ownership structure and shareholders' rights				
(1) Did PCSC establish internal operational procedures for dealing with shareholder suggestions, questions, disputes, and lawsuits and put these procedures into practice?	V		In addition to authorizing a share transfer agent to handle relevant affairs, PCSC also established a comprehensive spokesperson system and Board of Directors Secretariat to deal with shareholder issues.	Compliant
(2) Does PCSC maintain a list of major Company shareholders and the ultimate owners of these shares?	V		Through the assistance of the share transfer agent, PCSC remains fully aware of its major shareholders and regularly reports any changes in shareholding by directors or PCSC management. Apart from natural person shareholders, PCSC maintains a relationship with its major institutional shareholders. If necessary, PCSC can obtain the list of their ultimate owners from these institutional shareholders.	Compliant
(3) Did PCSC establish and implement risk control mechanisms and firewalls at the Company and affiliated enterprises?	V		In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, PCSC has defined Procedures Governing the Monitoring of Subsidiaries to establish a risk management mechanism at its subsidiaries.	Compliant
(4) Did PCSC establish internal standards to prevent Company personnel from using market information not yet made public to purchase securities?	V		<p>1. In accordance with article 157-1 of the securities laws, PCSC has specified the object of the specification and the conditions that constitute insider trading in the operation procedures of insider trading prevention in the internal control system. If personnel's intention or action constitutes insider trading, they will be dealt with in accordance with the internal control system and regulations.</p> <p>2. In accordance with article 17 in Ethical Corporate Management Best Practice Principles and Policies, article 15 in Ethical Corporate Management Operating Procedures and Code of Conduct, and article 10 in Corporate Governance Best Practice Principles, PCSC regulates its personnel to follow the regulations of the Securities Exchange Act. To prevent insider trading, personnel are not allowed to use non-public information to engage in insider trading, or to leak information to others.</p> <p>3. In order to ensure new employees are aware of the regulations, PCSC provides trading related standards for new employees and require employees sign a statement indicating that they understand the standards.</p> <p>4. The Company periodically educates directors and management on the Board that insider trading is prohibited.</p> <p>5. The Company periodically uses the monthly management report to carry out internal training on related topics.</p> <p>6. The company periodically reports shareholding changes to the company through insiders and educates on related topics.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies										
	Yes	No												
3. Composition and responsibilities of the Board of Directors														
(1) Has PCSC established diversified policies, specific management objectives and implementations among members of the Board of Directors?	V		<p>1. PCSC passed Corporate Governance Best Practice Principles at the 16th meeting of the 10th Board on 19 December 2014. The policies of diversity of the board of directors composition is mentioned in chapter III "Enforcing the Function of Board of Directors."</p> <p>2. In accordance with PCSC's Corporate Governance Best Practice Principles and the Procedures for Election of Directors, the composition of the members of the Board of Directors emphasizes diversity. The number of directors who also serve as managers of the Company is not to consist of more than one-third of Board seats. Also, the Company formulates appropriate policies on diversity based on the Company's business operations, operating dynamics, and development needs which include, but are not limited to, the following two major standards:</p> <p>(1) Basic conditions: gender, age, etc.</p> <p>(2) Professional knowledge and skills: background, skills, and industry experience.</p> <p>(3) The implement and achievement of the diversity policy is as below:</p> <table border="1"> <thead> <tr> <th>Management of Diversity Policy</th> <th>Accomplishment</th> </tr> </thead> <tbody> <tr> <td>Three seats of Independent Directors</td> <td>accomplished</td> </tr> <tr> <td>Target ratio of female directors to 15% or more</td> <td>accomplished</td> </tr> <tr> <td>The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats</td> <td>accomplished</td> </tr> <tr> <td>At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar</td> <td>accomplished</td> </tr> </tbody> </table> <p>3. The actions regarding to the diversity policy of Board of Directors are: The Company's current 13 directors include three employees, counted for 23%, three independent directors counted for 23%, and two directors are female, counted for 15%. The tenure of 2 independent directors are under three years, and the tenure of 1 independent director is 4 years. 1 independent director independent directors Holds a license, obtained through national examination. The directors generally have the specialized knowledge, skills and accomplishments necessary to perform their duties. (Please refer to p.22 Diversity of individual directors table) The implement meets the management condition.</p> <p>4. For more diversity policy of composition of Board of Directors, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.</p>	Management of Diversity Policy	Accomplishment	Three seats of Independent Directors	accomplished	Target ratio of female directors to 15% or more	accomplished	The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats	accomplished	At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	accomplished	Compliant
Management of Diversity Policy	Accomplishment													
Three seats of Independent Directors	accomplished													
Target ratio of female directors to 15% or more	accomplished													
The number of directors who also serve as managers of the Company is not consisted more than one-third of Board seats	accomplished													
At least one of the independent directors Holds a license, obtained through national examination, for the position of judge, district attorney, lawyer, accountant, or similar	accomplished													
(2) In addition to the establishment of the Remuneration Committee and Audit Committee as required by law, did PCSC establish committees with other functions of its own accord?	V		In addition to establishing the Remuneration and Audit Committees as required by law, the Company also has a Sustainable Development Committee which is under the Board of Directors which is responsible for policies, systems or related management guidelines and specific promotion plans for sustainable development reports the status and achievements of their work to the directors on a regular basis. The Company will take into consideration the legal environment, Company operations, and management needs in deciding whether or not to establish additional functional committees in the future.	Compliant										
(3) Has PCSC established performance evaluation guidelines and evaluation methods for the Board of Directors and does it evaluate its performance regularly each year and report the results to the Board as well as use the results as reference for remuneration and reappointment of Directors?	V		PCSC passed the Guidelines and Methods for Evaluating the Performance of the Board of Directors during the Board meeting on 1 November 2019. Starting in 2020, PCSC held board meetings, including of the Audit, Remuneration and Sustainable Development Committees, to self-evaluate or peer evaluate the Board and report the results before the end of the first quarter of the following year. According to the Guidelines and Methods for Evaluating the Performance of the Board of Directors, relevant departments are to provide audit materials for the evaluation period to the Directors, so they can evaluate and report the results to the Board. The results will be used as reference for elections or nominations of Director positions.	Compliant										

Items Evaluated	Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(4) Does PCSC periodically assess the independence of external auditors?	V		<p>1. PCSC's Audit Committee and Board of Directors annually evaluate accountants based on standards derived from the Certified Public Accountant Act and the 10th Code of Ethics for Professional Accountants and reports the results to PCSC's Audit Committee and Board of Directors to evaluate the independence of its certified accountants. 2021 Accountant Independence evaluation was passed by the audit committee on February 25 2021 and submitted to the board of directors on February 26 2021 for approval. After being reviewed by the Company, it was determined that Liang, I-Chang and Lin, Se-Kai, CPAs with PricewaterhouseCoopers, met with the Company's independent evaluation standards (Note 1) and could assume the position of retained external auditors for the Company.</p> <p>2. PCSC's external auditors provide PCSC with a Statement of Independence. The external auditing firm also complies with rules for rotating external auditors.</p>	Compliant
4. Has PCSC designated eligible personnel and an appropriate number of personnel as well as designated personnel to implement corporate governance related business (including, but not limited to, providing information needed by directors or supervisors to execute their duties, to comply with regulations, matters related to meetings of the Board and shareholder meetings held in accordance to legal requirements, and producing proceedings for the meetings of the Board and shareholders)?	V		<p>1. To enhance corporate governance, on August 3, 2018, the Company's Board resolved to set Board Secretary directly under the Board of Directors and appoint Hsieh Hung, Hui-Tzu as Project Vice President of President's Office to assist Board Secretariat carry out its oversight and management duties, providing directors (including independent directors) the information they need to perform their duties, assisting directors (including independent directors) to adhere to the laws and regulations, and performing tasks related to Board of Directors and shareholder meetings in accordance with the law.</p> <p>2. Corporate governance team has been set up, and finance, accounting, legal affairs, internal audit, Board Secretary, operational planning departments, and professional stock agency are assisting the corporate governance related matters.</p> <p>3. 2021 business execution explained below:</p> <p>(1) Assisted directors and independent directors carry out their duties, providing them with the materials they needed and made arrangements for directors to receive continuing education.</p> <p>(2) Assisted directors comply with regulations by providing company management and corporate governance regulations, and regularly providing the latest versions of these documents.</p> <p>(3) Assisted with the Board of Directors and shareholder meetings to ensure that the proceedings and resolutions adhered to relevant laws and regulations: reported the status of PCSC's corporate governance to the Board of Directors, independent directors, and the audit committee, ensured that PCSC's shareholder and board meetings were carried out in accordance with relevant laws and the corporate governance rules. Reviewed major announcements pertaining to important resolutions of the Board of Director to ensure that the legality and accuracy of the information and to guarantee investors receive equal transaction information.</p> <p>(4) Drawn up the agenda for Board of Directors meetings, notified directors prior to meetings, convened meetings, and provided meeting materials. Issued reminders in advance when issues required recusal. Provided complete meeting minutes after meetings. Everything was completed within the stipulated time periods.</p> <p>(5) Registered dates for shareholder meetings prior to meetings, produced meeting notifications, handbooks, and minutes within the statutory period, and made and registered changes made to revised articles of incorporation or Company director elections in accordance with the law.</p> <p>4. In 2021, Hsieh Hung, Hui-Tzu, Project Vice President of Corporate Governance, had taken classes entitled "Group Governance and Performance Management" and "Seizing the Key Talents of the Future: How Companies Can Embrace the Next Decade of Talent Transformation in the Coming Digital Economy" organized by Taiwan Institute of Directors, "Corporate Governance and Board of Directors' Perspectives" and "Ten Essential Lessons in Corporate Governance", organized by Taiwan Corporate Governance Association, total 12 hours.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
5. Has PCSC established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	V		<p>1. In 2015, PCSC set up a stakeholder area on its website with sections for different types of stakeholders. We also established a system and have a response mechanism in place to ensure the Company properly handles feedback from stakeholders. In addition, it ensures that the personal information of stakeholders remains confidential.</p> <p>2. PCSC deals with banks and other creditors in accordance with the principles of honesty and openness, providing all necessary operational and financial information to enable them to make informed decisions in light of PCSC's operational status.</p> <p>3. PCSC encourages its employees to communicate directly with management. In addition, a discussion platform has been set up to enable them to express their views on the Company's operations.</p> <p>4. The Company has established an internal employee care group that actively works to provide effective, timely consultation and guidance to employees whenever required.</p> <p>5. PCSC has set up a public website, which not only discloses business and financial information, but also states its responsibilities and obligations as a corporate citizen.</p> <p>6. PCSC has established the Integrated Services Call Center, stakeholder's mail box, and franchisee question and complaint hotline to serve as a communication channel between PCSC, its suppliers, employees, customers, and franchisees.</p>	Compliant
6. Has PCSC designated an agent specializing in the handling of stock affairs to handle shareholder meeting affairs?	V		PCSC has designated the President Securities Corporation Stock Affairs Department to handle shareholder meeting affairs.	Compliant
7. Information Disclosure				
(1) Has PCSC established a public website to disclose operational, financial, and corporate governance information?	V		PCSC has established an investor relations website at https://www.7-11.com.tw/company/iir/index.html and designated personnel to be responsible for disclosing operational, financial, and corporate governance information.	Compliant
(2) Has PCSC adopted other methods of information disclosure (e.g., setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?	V		<p>1. PCSC has set up an English website. Our dedicated investor relations team is responsible for the collection and disclosure of corporate information and the updating of website content.</p> <p>2. In accordance with legal requirements, PCSC has established a comprehensive spokesperson system with Senior Vice President Hsu, Kwang-Yu as Spokesperson and Vice President Hsieh, Lien-Tang as Deputy Spokesperson.</p> <p>3. PCSC holds and attends annual investor conferences. The materials and videos are posted on the Company website and also on Taiwan Stock Exchange Market Observation Post System.</p>	Compliant
(3) Did PCSC announce and declare the Annual Financial Report within two months after the fiscal year ended, and announce and declare the first, second, and third quarter Financial Reports and the monthly Operating Situation reports before the deadline?	V		<p>1. PCSC declared 2020 and 2021 annual Financial Reports on February 26, 2021 and February 24, 2022, respectively, a month earlier than required.</p> <p>2. The first, second, and third quarter Financial Reports of 2021 were declared respectively on May 4, August 3, and November 2, all earlier than required. The monthly Operating Situation Reports were declared based on monthly account settlement, but were all completed earlier than required.</p>	Compliant

Items Evaluated	Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
8. Does PCSC have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	V		<p>1. There is no spousal relationship between PCSC's chairman and president, and they are not relatives within one degree of consanguinity. The president and chairman as well as managers responsible for finance and accounting at PCSC have not worked for the Company's currently designated accounting office or affiliated enterprises within the past year.</p> <p>2. 2021 continuing education for management team:</p> <p>(1) President Huang, Jui-Tien, Special Assistant to Chairman Chen, Jui-Tang, Chief Financial Officer Wu, Wen-Chi, and Vice President Hsieh Hung, Hui-Tzu had taken classes entitled "Corporate Governance 3.0: Charting the Future of Sustainable Development" and "Obligations and Responsibilities of Companies and Directors under the Securities and Exchange Act" courses organized by the Taiwan Institute of Directors for 6 hours.</p> <p>(2) President Huang, Jui-Tien, Special Assistant to Chairman Chen, Jui-Tang, Chief Financial Officer Wu, Wen-Chi, Group Leaders Kuo, Ching-Feng, Lee, Tsung-Hsien had taken classes entitled "SEP Corporate Governance Course" organized by "Good Governance Advocates & Practitioners of the Philippines (GGAPP)" for 2 hours.</p> <p>(3) Chief Auditor Lee, Kun-Feng had taken courses entitled "Common Internal Control Deficiencies in Various Business Cycles and Case Sharing" and "How to Use Digital Technology to Investigate and Improve Operational Processes and Fraud Detection - An Audit Practice Discussion" organized by The Institute of Internal Auditors, total 12-hours.</p> <p>(4) A required three-hour class on law for all high-level managers was held.</p> <p>3. Should a proposal result in a conflict of interest between a director and the Company, said director may make comments or answer questions, but he or she is barred from the discussion and vote on the proposal.</p> <p>4. PCSC has purchased liability insurance for its directors and key personnel and submitted it to the Board of Directors for approval.</p> <p>5. PCSC was listed among the Dow Jones Sustainability World Index and Emerging Markets Index for three years in a row., the FTSE4Good Emerging Index, MSCI ESG Leaders Indexes, FTSE4Good TIP Taiwan ESG Index.</p> <p>6. PCSC places a great deal of emphasis on the transparency and immediacy of information disclosure. It has been ranked among the top 5% in the Taiwan Corporate Governance Evaluation seven years in a row.</p> <p>7. PCSC discloses financial and business information as required by relevant laws and regulations and is working to strengthen transparency on an ongoing basis. The Company has also established an investor relations team to provide direct communication between PCSC and investors.</p> <p>8. PCSC formulates strategies, procedures, and indicators and undertakes regular analysis and appraisal of changes in risk status, in accordance with relevant laws and regulations, policies, and market changes; the Company also takes appropriate measures to reduce the overall level of latent risk.</p> <p>According to the resolutions of the 17th meeting of the 12th Board (2020/7/30), the establishment of "Risk and Information Security Management Department" to coordinate and manage various types of risks, formulate risk management policies and management scope, plan future operation conditions, and strengthen information security management. Each department regularly inspects and identifies if risks or information security incidents exist, and completes the report after the risk and information security incidents have been identified. The annual implementation results report is carried out in the regular sustainable development meeting and is regularly reported to the board of directors every year.</p> <p>9. PCSC complies with the Labor Act and revises work regulations in a timely manner and uses emails and the Company's internal webpage to inform employees of their relevant rights.</p> <p>10. PCSC will continue to comply with all laws and regulations governing corporate governance. We will also review corporate governance developments in Taiwan and abroad in our effort to continually improve in this area.</p> <p>11. PCSC subsidiaries also follow these guidelines to gradually improve corporate governance.</p> <p>12. According to Article 32 of PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no more than 2% of said surplus shall be distributed as director remuneration. Reasonable compensation has been assessed and given to directors based on PCSC's operational achievements, continuous educations, engagement of business sustainability, and the director's respective contribution to the Company which includes financial KPIs such as company's profitability. In addition to PCSC's overall performance, remuneration is based on the performance of individual directors and their contributions to PCSC. Relevant performance and reasonableness of remuneration are to be assessed by PCSC's remuneration committee and the Board of Directors. The remuneration system is to be reviewed and adjusted as necessary based on actual operational status and relevant regulations as PCSC seeks to realize sustained operations and risk management.</p>	Compliant

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
<p>9. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center:</p> <p>1. Improvements made: According to the results of the latest (seventh) Corporate Governance Evaluation, the Company has made major improvements which are explained below:</p> <p>(1) PCSC has introduced an intellectual property management plan since 2020, and regularly submitted intellectual property-related matters to the board of directors for reports.</p> <p>(2) PCSC has established "Risk and Information Security Management Office" under the Sustainable Development Committee, and adopted the Risk Management Policy of PCSC as the highest guiding principle of the Company's risk management.</p> <p>2. Priorities and measures for improvement: In response to revisions to the eighth and ninth Corporate Governance Evaluation objectives, items that PCSC has made for improvement are explained below:</p> <p>(1) The Company obtained the Taiwan Intellectual Property Management System (TIPS) certification.</p> <p>(2) The Company obtained ISO50001 energy management system certification from the Energy Bureau of the Ministry of Economic Affairs.</p> <p>(3) The Company's independent directors communicate regularly and individually with the head of internal audit and the accountant, and the content of their communication is disclosed on the official website.</p> <p>(4) The Company expects to advance the shareholders' meeting to before the end of May.</p> <p>(5) The Company expects to disclose the implementation and results of the internal performance evaluation of the functional committee on the Company's website.</p> <p>(6) The Company expects to disclose the professional qualifications and experience of the members of the Audit Committee on the Company's website.</p> <p>(7) The Company expects to report and disclose the composition, duties and operations of the Sustainability Committee.</p> <p>3. PCSC will continue to evaluate the feasibility of future improvement on other items.</p>				

Note 1: External Auditor Independence Evaluation Standards

Item Evaluated	Evaluation Finding	Complies with Independence
1. Does the external auditor have direct or material indirect financial interest in PCSC?	No	Yes
2. Does the external auditor have loans or guarantees with PCSC or PCSC directors?	No	Yes
3. Does the external auditor have a close business relationship or a potential employment relationship with PCSC?	No	Yes
4. Could the external auditor be affected by the loss of PCSC as a client?	No	Yes
5. Does the external auditor have a contingent fee arrangement relating to an audit engagement with PCSC?	No	Yes
6. Has the external auditor or a member of the audit team been a director, a manager of PCSC or been employed by PCSC within the last two years in a position to exert significant influence over the subject matter of the engagement?	No	Yes
7. Does the external auditor provide any non-audit services which if performed for PCSC would affect directly a material item of the audit engagement?	No	Yes
8. Does the external auditor promote or broker shares for PCSC or other securities issued by PCSC?	No	Yes
9. Does the external auditor serve as an advocate or representative for PCSC with third parties in the event of conflict?	No	Yes
10. Does the external auditor have family ties with anyone who is a director, manager, or officer of with PCSC or any personnel who is in a position to exert significant influence over the subject matter of the engagement?	No	Yes
11. Has anyone in PCSC worked with the external auditor and within the last year of disassociating from the firm joined PCSC as a director, manager, or officer or another key position that can exert significant influence over the subject matter of the engagement?	No	Yes
12. Has the external auditor accepted gifts or preferential treatment from a director or manager of PCSC?	No	Yes
13. Has the external auditor been coerced by PCSC management to accept inappropriate decisions regarding its accounting policies or inappropriate disclosures regarding its financial reports?	No	Yes
14. Has PCSC applied pressure or inappropriately reduced the amount of audit work given to the external auditor?	No	Yes
15. Has the external auditor provided seven consecutive years of auditing service to PCSC?	No	Yes

2021 Director Continuing Education

Name	Date(s)	Organizer	Course Name	Time
Lo, Chih-Hsien, Kao, Shioh-Ling, Chen, Jui-Tang, Huang, Jui-Tien, Su, Tsung-Ming, Huang, Jau-Kai, Wu, Kun-Lin, Wu, Tsung-Pin, Wu, Wen-Chi	04/23	Taiwan Institute of Directors	Obligations and Responsibilities of Companies and Directors under the Securities and Exchange Act	3 hours
Lo, Chih-Hsien, Kao, Shioh-Ling, Chen, Jui-Tang, Huang, Jui-Tien, Su, Tsung-Ming, Huang, Jau-Kai, Wu, Kun-Lin, Wu, Tsung-Pin, Wu, Wen-Chi, Hsu, Ke-Wei	10/22	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Blueprint	3 hours
Wu, Liang-Feng	10/26	Taiwan Institute of Directors	Embrace New Wisdom, Strengthen Innovative Governance, Let AI Add Points to Corporate Brand	3 hours
Wu, Liang-Feng	12/15	Taiwan Institute of Directors	ESG New Horizons - Carbon Neutral Milestones	3 hours
Su, Tsung-Ming	08/24	Taiwan Academy of Banking and Finance	International Trends in Anti-Money Laundering and Counter Terrorism	3 hours
Wu, Tsung-Pin	05/06	Taiwan Corporate Governance Association	The Director's Responsibility - Corporate Governance from KY Case	3 hours
Hsu, Ke-Wei	04/27	Taiwan Independent Director Association	How the Board Reviews ESG Sustainability Reports	3 hours
Hsu, Ke-Wei	09/30	Taiwan Independent Director Association	Board of Directors Practical Case Study Exercise	3 hours
Chen, Liang	02/25	Securities and Futures Institute	5G Key Technology and Application Opportunities	3 hours
Chen, Liang	05/12	Securities and Futures Institute	Employee and Director Remuneration Issues - From the Amendment of Article 14 of the Securities and Exchange Act	3 hours
Hung, Yung-Chen	03/16	Taiwan Corporate Governance Association	Analysis of Money Laundering Cases and Predicate Crimes (Including Insider Trading)	3 hours
Hung, Yung-Chen	09/01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	3 hours
Hung, Yung-Chen	10/08	Taiwan Corporate Governance Association	The Board of Directors' Response to and Application of Corporate Governance Evaluation	3 hours

(5) Composition, responsibilities, and operation of the Remuneration Committee:

1. Remuneration Committee members

Position (Note 1)	Qualifications		Independence	Number of independent directorships held in other public companies
	Name	Professional qualifications and experience		
Independent Director	Wang, Wen-Yeu	<ul style="list-style-type: none"> Education : PhD, Stanford Law School Experience : Member of the Fair Trade Commission of Executive Yuan, Director of Taiwan Cooperative Bank, Supervisor of Taiwan Futures Exchange, and Member of the Securities Listing Review Committee 	<p>To maintain independence within the scope of their business, to have no direct or indirect interest in the Company, and to not have any of the following during the two years prior to their election and during their term of office:</p> <ol style="list-style-type: none"> 1. Employees of the Company or its affiliates. 2. Directors and supervisors of the company or its affiliates. 3. A natural person shareholder who holds more than one percent of the total number of issued shares or the top ten shares in their name, or the name of their spouse, minor children, or others. 4. The spouse, a relative within the second degree of consanguinity, or a relative within the third degree of consanguinity of the manager in the first paragraph or a person listed in the first two paragraphs. 5. A director, supervisor or employee of a corporate shareholder who directly holds more than five percent of the total issued shares of the Company, holds the top five shares, or designates a representative as a director or supervisor of the Company in accordance with Article 27(1) or (2) of the Company Act. 6. More than half of the directorships or voting shares of the Company and other companies are controlled by the same person, a director, supervisor or employee of other companies. 7. The Company and the chairman, president or equivalent of another company or organization are the same person or spouse of each other, a director, supervisor or employee of another company or organization. 8. A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or organization with which the Company has financial or business dealings. 9. Professionals, sole proprietors, partners, directors, supervisors, managers, and their spouses who provide auditing, or who have received remuneration in excess of NT\$500,000 in the last two years for business, legal, financial, or accounting related services for the Company or its affiliates. However, members of the Remuneration Committee, the Public Takeover Review Committee, or the Special Committee on Mergers and Acquisitions who perform their duties and responsibilities in accordance with this Act or the relevant laws and regulations of the M&A Act are excluded. 	3
Independent Director	Shu, Pei-Gi	<ul style="list-style-type: none"> Education : PhD, Management, National Chengchi University Experience : Director of Center for Corporate Governance and Business Ethics, Fu Jen Catholic University, and Member of the Securities Listing Review Committee 		0
Independent Director	Hsu, Ke-Wei	<ul style="list-style-type: none"> Education : Master of Laws (LL.M.), University of Pennsylvania Law School ; Master of Business of Administration (MBA), University of Pennsylvania Wharton School. Experience : legal advisor of HOLDING DISP. CO., LTD., General Counsel and legal advisor of NEOBARDS ENTERTAINMENT LTD., Senior Consultant of Jones Day International Law Firm 		1
Independent Director	Chen, Liang	<ul style="list-style-type: none"> Education : MBA, Baruch College of CUNY Experience : Supervisor of FIRST COMMERCIAL BANK CO., LTD. 		0
Independent Director	Hung, Yung-Chen	<ul style="list-style-type: none"> Education : Ph.D. in Information Engineering, National Taiwan University Experience : Director of HUA VI VENTURE CAPITAL CORPORATION, Arbitrator of Taiwan Construction Arbitration Association, Arbitrator of Arbitrator of Chinese Arbitration Association Taipei, Arbitrator of Shanghai International Economic and Trade Arbitration Commission, Dispute Reviewer of Beijing Arbitration Commission. 		0

Note 1: The term of former members expired until July 16, 2021. The term of new members started from August 3, 2021.

2. Operations of the Remuneration Committee

(1) PCSC's Remuneration Committee is composed of three members.

(2) The term of office for current members:

- The fourth session: June 20, 2018 to July 16, 2021.
- The fifth session: August 3, 2021 to July 15, 2024.

As of publication of the Annual Report, there had been a total of 3 (A) meetings of the Remuneration Committee over the past fiscal year. Member attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended by Proxy	Personal Attendance Rate (B/A)	Remarks
Convener	Wang, Wen-Yeu	2	0	100%	The term of former members expired until July 16, 2021.
Member	Shu, Pei-Gi	2	0	100%	The term of former members expired until July 16, 2021.
Convener	Hsu, Ke-Wei	1	0	100%	The term of new members started from August 3, 2021.
Member	Hung, Yung-Chen	3	0	100%	-
Member	Chen, Liang	1	0	100%	The term of new members started from August 3, 2021.

Other issues to be noted:

- If the Board does not adopt or amends a Remuneration Committee proposal, the Board meeting date, session, content of the resolution, result of the Board vote, and the Company's response to the Remuneration Committee's opinion shall be properly recorded (for example, if the remuneration package approved by the Board is superior to that suggested by the Remuneration Committee, the difference and reasons must be noted).
[Further explanation] There has not been any instance of the Board rejecting or amending a remuneration Committee proposal. Also, there have not been any recorded instances of Remuneration Committee members opposing or retaining opinion on any decision by the Board.
- Should a committee member oppose or retain their opinion regarding any decision made by the Remuneration Committee and their opinion has been recorded or submitted in a written statement, the committee meeting date, session, content of the resolution, opinions of all members, and the response to the opinions shall be recorded.
[Further explanation] PCSC has not had a case in which a member of the Remuneration Committee recorded or submitted a written statement in opposition or retaining opinion on a resolution decided upon by the committee.
- Remuneration Committee functions and powers:
 - Draw up and regularly review the performance evaluations for directors and managers and remuneration policies, system, standards, and structure.
 - Regularly evaluate and stipulate remuneration for directors and managers.

(6) Promoting Sustainable Development Implementation

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Has PCSC established governance structure and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		<p>1. PCSC's Board of Directors resolved to establish a "Corporate Social Responsibility Committee" under the Board of Directors on December 12, 2018, and incorporated into the independent director mechanism. On June 24, 2021, the Board of Directors changed the name of the organization and the organization rules to "Sustainable Development Committee". In accordance with the "Rules and Regulations of the Sustainable Development Committee of PCSC", the committee is convened at least twice a year.</p> <p>2. The committee consists of six members, three of whom are independent directors, and is responsible for the formulation and supervision of the CSR policy direction and promotion plan, with the following main responsibilities:</p> <ol style="list-style-type: none"> The Company's corporate social responsibility and sustainable management system is proposed to be revised in accordance with the relevant regulations. Oversee the direction and promotion plan of our corporate social responsibility and sustainable development policy, and regularly track the progress of implementation. The effectiveness of the Company's CSR and sustainability programs is regularly evaluated and the annual results are reported to the Board of Directors each year. Validate the Sustainability Report. Other matters that the Board of Directors has resolved to direct the Committee to do. <p>The committee met twice, once on June 25 and once on November 1 in 2021, and reported to the Board of Directors on December 10 on the current year's performance results and the next year's performance plan.</p> <p>3. The Company's Board of Directors receives regular reports from the Sustainability Committee each year to monitor the results and make plans for the year's ESG, risk and safety initiatives, and to urge the Sustainability Committee to make necessary adjustments.</p> <p>4. Please refer to (Note 1) for membership information, attendance, meeting topics and discussion items.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
2. Has PCSC designated personnel to implement corporate social responsibility policy with senior management authorized by the Board of Directors to manage them and do they give status reports to the Board of Directors?	V		<p>1. This disclosure covers the Company's sustainability-related performance for the period January 2020 to December 2021, with some information prior to 2020. The risk assessment boundary focuses on PCSC mainly, including the headquarter, retail locations and shopping centers. In addition, four affiliated logistics companies (Uni-President Cold-Chain Corporation, Wisdom Distribution Service Corporation, Retail Support International, and President Logistics International Corporation) were included. The topics covered included energy and greenhouse gases (Scope 3), customer health and safety, etc. We expect to include data from other affiliated companies in order to present comprehensive information on PCSC's value chain in the future.</p> <p>2. In the rapidly changing food retail industry, PCSC has been concerned with major social, economic and environmental trends to grasp the risk items that affect sustainable operation of the company. In July 2020, PCSC's board of directors resolved to establish the "Risk and Information Security Management Office" under the Sustainable Committee and adopted the "Risk Management Policy of PCSC" as the highest guiding principle of the company's risk management. Each task forces identifies, analyzes, measures, monitors, responds, reports risks, and improves response measures based on the business-related risk characteristics and impact.</p> <p>3. PCSC integrates major themes into the daily risk management system, and is committed to maintaining a complete risk management system. The company's board of directors, managers and employees at all levels participate in and promote implementation. Relevant risk identification and countermeasures please refer to (Note 2).</p>	Compliant
3. Environmental Topic				
(1) Has PCSC established an environmental management system that is specifically designed with PCSC operations in mind?	V		<p>1. PCSC continued to pay attention to the issue of energy saving and carbon reduction, and has formulated an "Energy Policy" to optimize the energy management framework. Since 2017, we have commissioned SGS to conduct ISO 14064-1 greenhouse gas inventory, which covered 6,030 locations with 99% coverage. In 2021, PCSC received ISO 50001 certification for its energy management system, which covered the 6th floor of the headquarters building and one store each in North 1 and North 2.</p> <p>2. PCSC took advantage of the intense store network and 24-hour operation to assist in the notification of disasters and the dissemination of early warning information. In response to disasters caused by climate change, PCSC has installed a weather information distribution system and enhance the training of store personnel in responding to typhoons and floods.</p>	Compliant
(2) Has PCSC endeavored to make more efficient use of resources and use renewable materials that have a lower impact on the environment?	V		<p>1. The Company is committed to energy saving, carbon reduction and greenhouse gas emission reduction, bringing a better green living environment to the people of Taiwan. Energy-saving design is considered at the initial planning stage of new store openings such as building insulation, signage energy saving, lighting reduction, variable frequency system adoption, outdoor energy saving, indoor lighting management and LED lighting adoption. Existing stores are actively replaced with high-efficiency energy-saving equipment. In 2021, EUI value (energy use intensity) of electricity consumption in stores was 891 kWh/m² in 2021, 3.11% less in 2020, surpassing target performance.</p> <p>2. At this stage, we are not using renewable energy, but we are doing our best to increase the proportion of renewable energy use by introducing the feasibility and practice of renewable energy equipment. As for the use of recycled materials, 100% of the plastic bags in our stores are made from recycled materials, and recycled PET bottles are made into public goods. PCSC continued to build the largest recycling platform in Taiwan.</p>	Compliant
(3) Does PCSC evaluate potential risks and opportunities of climate change for the Company now and in the future, and make countermeasures to issues related to climate change?	V		<p>PCSC's governance structure of climate change issues have the Board of Directors as the highest governing body. We introduced TCFD in 2020 and assessed 4 major climate risks and 2 opportunities: Increased severity of extreme weather events such as typhoons, floods and snow, rising mean temperatures, Requirements and supervision of existing products and services, Low-carbon and new technologies, Adopt a more efficient transportation method or distribution process, Shift to buildings/ equipment with higher energy and resource efficiency. We continued to assess the financial impact of risks and opportunities. In 2021, a carbon reduction task force was also set up to integrate and optimize management strategies in response to the impact of major risks and opportunities on PCSC. It is expected to reduce the financial impact of climate risks on operations and maximize the benefits of climate change issue response by integrating and optimizing the strategies.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies																																				
	Yes	No																																						
(4) Did PCSC calculate greenhouse gas emissions, water use and total weight of waste in the past two years and did it establish policies for saving energy, reduction carbon, reduction of water use, as well as waste management?	V		<p>Since 2017, we've followed ISO 14064-1:2006 for greenhouse gas inventory, and since 2020, we've adopted the new version of ISO14064-1:2018 to conduct greenhouse gas inventory, and has passed third-party verification.</p> <p>Greenhouse gas emissions in the last 2 years: The GHG inventory for 2020 covered 6,030 locations. t CO₂ e/yr</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>GHG emissions intensity (CO₂ e /mn turnover)</th> <th>Scope 3</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>30,703</td> <td>446,065</td> <td>-</td> <td>-</td> </tr> <tr> <td>2020</td> <td>30,910</td> <td>472,365</td> <td>4.15</td> <td>193,802</td> </tr> </tbody> </table> <p>The reduction target is based on the direct and indirect GHG emission intensity of the GHG inventory in 2020, namely 4.15 metric tons of CO₂e per NT\$million in turnover. After taking future revenue growth and operational expansion into consideration, we have promised to lower the emission intensity by 7% at 3.85 metric tons of CO₂e/NT\$million in revenue compared to the baseline year of 2020. In the future, we will devote ourselves to promoting energy conservation in stores and offices, but also to promote carbon reduction in logistics and transportation. We will continue to review the progress of achieving the goals. Taking into account the trend of economic growth and energy-saving technology progress, we will update the medium and long-term reduction targets, and gradually achieve the promised reduction targets.</p> <p>Water consumption in the last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption (m³)</th> <th>Data scope</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>2,658,958</td> <td>Actual statistics: Headquarters building and 3,764 stores Estimated: 8 zones offices and 1,891 stores</td> </tr> <tr> <td>2020</td> <td>2,830,318</td> <td>Actual statistics: Headquarters building and 3,952 stores Estimated: 8 zones offices and 2,072 stores</td> </tr> </tbody> </table> <p>We installed water-saving facilities to adjust water flow to 500 milliliters per second, which successfully reduced the water consumption at stores. PCSC made the commitment to maintain the intensity between average water consumption of stores and PSD at the 0.5% level of 2018 between 2019 and 2021. The intensity of water consumption correlation in the stores was 0.6% in 2020. The slight difference from the target value was due to the 45% increase in coffee sales in 2020, resulting in the intensity of correlation of water consumption falling short of the target value. We will continue to track the correlation between water consumption and PSD as reference for future targets. Headquarters building continued to reduce water consumption through water-saving actions. For example, we introduced a device to reduce the amount of water coming out of the taps in restrooms and coffee rooms, as well as installing water-saving devices at the urinals, adjusting the optimal water output of the toilets, reducing the frequency of sprinklers and so on.</p> <p>Waste weight in last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Non-recyclable waste weight (tons)</th> <th>Data Scope of non-recyclable waste</th> <th>Recyclable waste weight (tons)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>47,591</td> <td>Actual statistics: Headquarters building and 645 stores Estimated: 8 zones offices and 5,010 stores</td> <td>10,192</td> </tr> <tr> <td>2020</td> <td>43,671</td> <td>Actual statistics: Headquarters building and 925 stores Estimated valuation: 8 zones offices and 5,009 stores</td> <td>10,576</td> </tr> </tbody> </table> <p>1. The waste produced by PCSC is mainly domestic waste, which belongs to the general waste and general industrial waste as categorized by the Environmental Protection Administration with no hazardous industrial waste</p> <p>2. PCSC has pledged to maintain the clearance weight to PSD at 0.9%. In the meantime, PCSC will continue to track the intensity of the correlation between waste clearance and PSD as reference for future goals. In 2020, the intensity of the relationship of waste clearance from the stores was 0.8%, which exceeded the target. The improved measures were implemented through Convenient Recycling Platform, Store Equipment Reuse, and Paper-saving. Meanwhile, we continue to improve data accuracy and implement the management of non-recyclable waste in stores through recycling and plastic reduction.</p>	Year	Scope 1	Scope 2	GHG emissions intensity (CO ₂ e /mn turnover)	Scope 3	2019	30,703	446,065	-	-	2020	30,910	472,365	4.15	193,802	Year	Total water consumption (m ³)	Data scope	2019	2,658,958	Actual statistics: Headquarters building and 3,764 stores Estimated: 8 zones offices and 1,891 stores	2020	2,830,318	Actual statistics: Headquarters building and 3,952 stores Estimated: 8 zones offices and 2,072 stores	Year	Non-recyclable waste weight (tons)	Data Scope of non-recyclable waste	Recyclable waste weight (tons)	2019	47,591	Actual statistics: Headquarters building and 645 stores Estimated: 8 zones offices and 5,010 stores	10,192	2020	43,671	Actual statistics: Headquarters building and 925 stores Estimated valuation: 8 zones offices and 5,009 stores	10,576	Compliant
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Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
(1) Has PCSC established management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		PCSC consulted such international human rights conventions as the "International Human Rights Law", "Core Labor Standards, Fundamental ILO Conventions", and "Ten Principles of the United Nations Global Compact" when formulating its human rights policies. Our seven major policies are to provide a friendly and safe working environment and treat our employees with dignity. We prohibit any unlawful discrimination, sexual harassment, workplace violence, intimidation, provide a complaint mechanism and handle all human rights violations appropriately. We also prohibit forced labor, human trafficking, and child labor. PCSC implements diversified employment in the workplace to ensure equal job opportunities, training and benefits, reward and evaluation, and promotion. We respect employee freedom of association, maintain smooth communication with them, and build a harmonious workplace environment. We are committed to promoting physical and mental health and work-life balance for our employees, and we provide multiple channels of communication to ensure the rights of our stakeholders. Specific management and implementation plans include, regular annual reviews of occupational safety and health as well as labor conditions; employing comprehensive internal and external training channels to give employees inter-company and interdisciplinary work rotation experience as well as important positions and challenges to cultivate outstanding talents; hold annual health check-ups and implement health promotion campaigns based on the data analysis findings of health exams over the years to enhance the employee health index; and PCSC has a variety of communication channels available in its auditing office, joint service center, and in the stakeholder area on its official website. In addition, it also has a comprehensive system and mechanism to ensure that feedback and suggestions are actually handled.	Compliant
(2) Does PCSC have and implement employee welfare measures, including bonuses, holidays, and other benefits, and is its operational performance and achievements reflected in their pay?	V		<p>1. Employee Remuneration</p> <p>The PCSC remuneration policy ensured that all full-time employees receive higher payment than the statutory minimum wages and PCSC reviewed whether the employees' salary levels are market-competitive and in line with employees' needs by adjusting the starting salary of new recruits in April each year. In addition, PCSC provided employees in areas with higher price levels with an additional allowance of 5-10% of the basic salary so that the employees and their families had enough for a decent life. The starting salary for the new recruits at PCSC is equal for men and women for equal work, and the salary and benefits do not differ based on gender or age. In 2020, the starting salary of college graduates that were hired as PCSC's back office staff was 1.46 times the statutory minimum wages, and 1.73 times for those with a master's degree.</p> <p>2. Workplace Diversity and Equality :</p> <p>As of December 31, 2020, PCSC's female employees account for 55.34% of all PCSC employees, while 52.02% of managers in revenue-generating functions are female, showing that PCSC values gender equality in the work environment and talent recruitment.</p> <p>We do not hire people under the age of 15 as workers in accordance with the "Labor Standards Act." We provide job opportunities for people seeking re-employment and part-time job opportunities for student jobseekers. We also collaborate with senior high (vocational) schools to provide students with job opportunities, and we have employed more people with disabilities than the statutory quota. In 2020, the PCSC head office and directly operated stores hired a total of 261 employees with disabilities, accounting for 3.07% of our total workforce and being 3.07 times higher than the statutory quota. Besides employees with disabilities, PCSC also hired 118 indigenous employees, accounting for 1.39% of all employees.</p> <p>3. Comprehensive employee benefits:</p> <p>(1) In accordance with the Official Letter Taipei City Social II No. 58459 of the Department of Social Welfare, PCSC established the Employee Benefit Committee on December 21, 1987. Members of the Committee are jointly elected by both labor and management. The Committee regularly hosts a variety of activities, organizes health check-ups for employees, and provides other benefits, such as subsidies for in-service education programs.</p> <p>(2) The PCSC benefit scheme includes self-selected benefits, health examinations, employee stock ownership plans, club subsidies, discount purchasing, wedding and funeral allowances, paid maternity and paternity leave, group insurance, employee travel allowance, and other benefits provided by Employee Benefits Committee to meet employee needs.</p> <p>4. Comprehensive rewards system: PCSC gives employees annual bonuses based on the Company's net profit and gross profit growth to encourage them to stay and grow with the Company.</p>	Compliant

Items Promoted	Status		Brief Explanation	Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
(3) Does PCSC provide employees with a safe and healthy work environment and regularly implement safety and health education programs for employees?	V		<p>PCSC provides employees with comprehensive education and training programs and works to realize our objectives of showing human care and improving their physical and mental health, focusing on the wide-ranging implementation of our Health Management Program to help employees care for their own health. The Company has engaged specialized nurse practitioners and works with doctors specializing in workplace health services to provide health consultation services. PCSC encourages employees to manage their personal health and create a healthy, harmonious, and safe work environment.</p> <p>1. Safety and Health Committee PCSC established a level 1 Occupational Safety Office and a Safety and Health Committee in accordance with the Occupational Safety and Health Act. The committee is held on a quarterly basis with supervisors of the highest level of each unit and labor representatives discussing the Company's safety and health matters. The meeting also establishes occupational safety targets and ensures the suitability and effectiveness of occupational safety and health.</p> <p>2. Occupational Safety and Health Policy The President approved the Occupational Safety and Health Policy in 2018 with five guidelines for implementing risk prevention and management. PCSC took the following actions to achieve this goal: safety and health education and training, safety risk assessments and safety audits, air, lighting, drinking water quality monitoring. Furthermore, we continued to implement the Overload Prevention Plan, Human Factor Hazard Prevention Plan, Illegal Violence Prevention Plan, and Maternity Health Protection Plan to protect employees' health and safety through prevention measures and risk identification.</p> <p>3. Employee Occupational Injury Statistics (1) PCSC strives to reduce occupational injuries. We have the achievement of zero cases of work-related fatalities or critical injuries for five consecutive years through various safety and health management plans. In 2021, the number of employees' occupational injuries were 21 cases, accounting for 0.25% of the total number of employees. The frequency-severity indicator was 0.2 in 2021, lower than the retail industry's average rate of 0.38 in the past three years according to the Occupational Safety and Health Administration, Ministry of Labor. Furthermore, PCSC had no cases of work-related ill health for our employees in 2021. (2) In order to reduce the probability of employees' occupational injuries, for special situations, such as being illegally violated in the workplace, we immediately start the caring, protection and assistance mechanism, investigate the cause and carry out hazard identification to create a friendly workplace environment.</p> <p>4. Human Rights and Labor Audits PCSC provided training regarding the Labor Standards Act to 170 people in 2020. For other human rights risk assessments and mitigation measures, please refer to "PCSC Human Rights Due Diligence Procedure" on PCSC Investor Relations website. https://www.7-11.com.tw/company/irr/policy.html</p> <p>5. Protecting Employee Health, Workplace Epidemic Prevention Measures Due to the special circumstances of the COVID-19, PCSC maintain workplace health and implement epidemic prevention. The "Implementation Measures for Colleagues Working from Home" has been specially formulated, allowing to work remotely from home, and start work diversion to avoid the peak crowds of public transportation and reduce risks. In 2021, in response to the epidemic, we took out anti-epidemic insurance for employees, if they are diagnosed or contacted with a confirmed person and are quarantine, each can apply for a compensation of 100,000 dollars. We also provide "Home Epidemic Prevention Commodities box", and directly delivered to home by Transnet, so that employees can stay at home with peace of mind.</p>	Compliant

Items Promoted	Status			Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(4) Has PCSC established an effective career skills development training program for employees?	V		<p>PCSC attaches a great deal of importance to personnel training. We help our employees be all that they can be through job rotation, working in different positions and in different organizations within our Company, giving them important jobs and challenges, and by broadening their horizons.</p> <p>1. Since it set up an employee career development path and management mechanism in 2016, PCSC has reviewed the succession candidates of all positions every year. In 2021, we continued to build key talent pools of different units and assign supervisors and commissioners to different units for training. The annual selection and construction of rotation/promotion talent pools are based on different ranks and functional fields in order to implement cross-company/cross-task rotation, expand employees' horizons, and cultivate future executive talents at all levels. The training mode is different from the physical training mode in the classroom in the past, and the digital online learning method is changed to promote more flexible and independent learning of talents at all levels, continuously improve the company's training quality and employees' satisfaction.</p> <p>2. In accordance with the Company's core values, PCSC has clearly outlined a training program to equip employees with the skills and standards required for positions throughout the organization. Managers and employees can enhance their abilities to ensure the ability meets the needs of the company's business direction by participating in internal or external training courses. PCSC organized 20 classes on 360-degree report analysis in 2018, four classes in 2019, and one class in 2020 due to the epidemic prevention policy that put the focus on employee growth and learning, helping managers learn how to assist employees enhance their skill levels and work planning. For some key employees, PCSC mapped out a program of training and development to help them reach their ideal positions within the Company.</p> <p>3. PCSC also encourages employees to pursue self-enrichment in their spare time to strengthen their foundation and professional knowledge through scholarships for outside training and foreign language courses.</p>	Compliant
(5) Does PCSC's product and service marketing and labeling adhere to relevant laws and regulations and international standards as well as the laws and regulations related to customer health and safety and personal information and has it established policies and grievance procedures to protect consumer protection rights?	V		<p>The Company's food safety policies focus on operations, food traceability, and gaining customer recognition. From raw materials, logistics to stores, we set up a management mechanism, including the establishment of our own raw materials and quality assurance management database for commodity food products to ensure commodity raw materials and suppliers can be traced and managed. We also establish a quality inspection laboratory and obtain certificates, import Initial transportation and store commodity management and service inspection, establish whole-process quality control, and conduct various store inspections (quality service, quality assurance operations, tobacco and alcohol sales), etc. The laws and regulations that the company follows are: Consumer Protection Act, Food Traceability System of Food Safety Law, Tobacco Hazards Prevention Act. PCSC has established the Integrated Services Call Center and stakeholder's mail box to serve as a communication channel that consumers can use to ensure that their suggestions or concerns are handled satisfactorily. Internally, the Company also has operating measures for handling product suggestions made by customers to ensure that they are handled satisfactorily.</p>	Compliant

Items Promoted	Status			Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(6) Has the Company established supplier management that requires that suppliers adhere to regulations dealing with such issues as the environment, workplace safety and health, worker rights and, if so, what is the status of implementation?	V		<p>1. To determine whether suppliers are legally established, the quality of their products, how well they cooperate with inspections, and whether they adhere to laws and regulations and PCSC's standards, we have established a section in our internal control regulations dedicated to product safety management. Suppliers and OEM factories that produce PCSC's ownbrand products have a greater impact, so we have set up different management measures for them based on their different characteristics, for example Raw Material Supplier and Raw Materials Management Rules, Rules for Onsite Appraisal for Privately-Owned Brand Product Manufacturers, clearly requiring that the product production, packaging, inspection, and evaluation processes are all carried out in accordance with specific standards. We do our utmost to require that suppliers of privatelyowned brand products obtain food safety management system ISO22000 certification. PCSC holds spot checks of raw materials suppliers and OEM factories and employs hierarchical supplier management, giving them different classifications based on their evaluation scores. In 2021, 206 spot checks were carried out on raw materials suppliers and they all passed. We also carried out 99 spot checks of suppliers and OEM factories that produce PCSC's own-brand products. Only one did not pass but passed after re-evaluation. In addition, our Internal Audit Office holds spot checks at raw material suppliers and OEM factories to create a rigorous food safety net for consumers.</p> <p>2. PCSC has also set up the "Code of Conduct for PCSC and Subsidiary Subcontractors", requiring all suppliers to sign "Ethical Corporate Management and Corporate Social Responsibility Agreements", to which have been incorporated five major standards, including worker, health, environmental safety, ethics, and fairness.</p>	Compliant
5. Does the Company follow international recognized reporting criteria or guides when disclosing non-financial Corporate Social Responsibility reports? Did it obtain assurance or verification statements from third-party certification bodies for previously disclosed reports?	V		<p>PCSC publishes Sustainability Report every year and discloses the reports of previous years on the Company website. The 2020 PCSC CSR Report is based on the Global Reporting Initiative's GRI Core Standards and the Sustainability Accounting Standards Board's (SASB) industry standards (food retail and distribution industry).</p> <p>SGS Taiwan was engaged to confirm that the information in the CSR report meets the requirements of the AA1000 Type II high assurance level, and PwC Taiwan was engaged to provide independent limited assurance on certain subject information in accordance with the Republic of China Standard on Assurance Engagement Bulletin No. 1, Assurance Engagement Other than Audits or Reviews of Historical Financial Information.</p>	Compliant
6. If PCSC has drawn up a code for Sustainable Development based on the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, please describe any differences between said code and the Best Practice Principles: In accordance with the Sustainable Development Best Practice Principles for TWSE/ GTSM Listed Companies, PCSC drew up the Rules for the Practice of Sustainable Development which we adhere to. It governs implementation of corporate governance, development of sustainable operations, protection of public welfare, strengthening of CSR information disclosure, and protection of stakeholder rights and interests. PCSC employees follow these regulations to manage Company risks and impacts on the economy, environment, and society.				
7. Other important information for facilitating the understanding of Sustainable Development and its implementation:				
1. The Company is committed to the safety of our products. In 2021, we invested NT\$122,971,000 to enhance food safety management of the raw materials and we continued to ensure food safety through such activities as giving guidance and checking our OEM and suppliers and product inspection.				
2. To respond to the issue of food safety, PCSC formulated the Product Safety Information Gathering and Inventory Tracking Operating Procedures to strengthen crisis management capabilities and perform self-reviews of potential major product safety incidents and related regulations to prevent latent food safety risks.				
3. The PCSC quality assurance laboratory has been certified by the TFDA for seven testing areas (microorganism counts, coliform bacteria, E. coli, Salmonella, Listeria monocytogenes, colorants, Ochratoxin A, Patulin, and testing for residues of 48 veterinary drugs) and TAF certification for five testing areas. In 2013, PCSC received TAF Certification for the first time, and received TFDA Certification in 2014. The validity period is three years. We have continued to pass extension applications for accreditation, once again recognizing the management quality of our laboratories. In 2021, the quality assurance laboratory performed testing on over 1,173 raw materials and products to maintain strict control on the safety of food products.				
4. To deal with changes in laws and regulations, PCSC took it upon itself to make adjustments to the items in its product inspection standards so that they comply with the requirements of laws and regulations.				
5. PCSC has optimized the own-brand product raw material management system to strengthen traceability management of raw materials.				
6. PCSC has optimized fresh food product ingredient labeling simplification and allergen labeling standards that meet with government standards and allow consumers to more easily determine food product ingredients and potential allergens.				
7. In order to provide franchise partners with a more secure business environment and a smooth feedback channels, mailbox FR885@mail.7-11.com.tw was set up in January 2021 for the franchisees to provide the franchisees with a channel for communication and to collect opinions.				
8. PCSC has introduced Teacher Chang's professional resources to help train internal volunteers, and has trained 280 volunteers so far, of which 154 have completed volunteer certification. Volunteers care about a wide range of issues, including interpersonal workplace, work adjustment, family, gender relations and health, and manage cases in different levels. To date, 3,775 cases and 2,844 caring hours have been completed by internal volunteers. If a case is observed to be in need of professional assistance, it is referred to a counselor for assistance, so as to effectively help colleagues reduce stress.				
9. ISO14001 is not applicable to PCSC, because it is not in the manufacturing industry.				
10. Please refer to the Sustainable Development section on the PCSC website for more information at https://www.7-11.com.tw/company/csr.asp				

Note 1 : Member, attendance, meeting topics and discussion issues information

Members of the committee (the term of office is from August 3, 2021 to July 15, 2024) are as follows:

Title	Name	Expertise
Convener	Hsu, Kwang-Yu	Sustainable Development Management, Risk and Information Security Management, International Market Vision
Member	Wu, Wen-Chi	Financial Accounting, Business Management, International Market Vision
Member	Wu, Hui-Chen	Enterprise Operation Management, Logistics Management, International Market Vision
Member (Independent Directors)	Hsu, Ke-Wei	Law, Business Management, International Market Vision
Member (Independent Directors)	Chen, Liang	Financial and Investment Management, Business Management, International Market Vision
Member (Independent Directors)	Hung, Yung-Chen	Information Security and Information Management, Intellectual Property Strategy, International Market Vision

As of publication of the Annual Report, there had been a total of 2 (A) meetings of the Remuneration Committee over the past fiscal year. Member attendance is detailed below:

Title	Name	Meetings Attended	Meeting attend by Proxy	Attendance Rate (%)	Remarks
Convener	Hsu, Kwang-Yu	2	0	100%	-
Member	Wu, Wen-Chi	2	0	100%	-
Member	Wu, Hui-Chen	2	0	100%	-
Member (Independent Directors)	Hsu, Ke-Wei	1	0	100%	The term of new members started from August 3, 2021.
Member (Independent Directors)	Chen, Liang	1	0	100%	The term of new members started from August 3, 2021.
Member (Independent Directors)	Hung, Yung-Chen	2	0	100%	-
Member (Independent Directors)	Wang, Wen-Yeu	1	0	100%	The term of former members expired until July 16, 2021.
Member (Independent Directors)	Shu, Pei-Gi	1	0	100%	The term of former members expired until July 16, 2021.

Meeting Date	Topics Reported	Items Discussed
6/25	<ul style="list-style-type: none"> Name Change of PCSC Social Responsibility Committee and Revision of Related Governing Documents DJSI Project Report 	<ul style="list-style-type: none"> The contents of the PCSC Social Responsibility Report 2020
11/1	<ul style="list-style-type: none"> The Sustainable Development Committee underwent organizational changes in response to sustainability trends and corporate progress 	<ul style="list-style-type: none"> PCSC 2021 Sustainability Project Results and Future Directions for Sustainability The Committee intended to appoint PricewaterhouseCoopers to provide consultation and assurance on the CSR report.

On December 10, 2021, Sustainable Development Committee reports ESG, risk and safety promotion results and plans to the Board of Directors.

Note 2: ESG risk assessment and management policy.

ESG Topic	Risk Type	Implementation of risk management
Environmental	Climate risks	<p>1. PCSC's governance structure on climate change issues is governed by the board of directors, and the relevant issue management and control mechanism is established under the Sustainable Development Committee. Issue management and risk assessment are carried out through the task forces under the committee, and regularly report management and implementation to the board of directors. In 2021, Carbon Reduction task force was formally established to integrate and optimize management strategies.</p> <p>2. In 2021, TCFD framework was adopted to evaluate PCSC's climate-related risks and opportunities. After cross-departmental discussions, 4 major climate risks and 2 opportunities have been identified.</p> <p>3. In 2018, the ISO14064-1 greenhouse gas inventory was carried out, and we entrusted SGS to conduct third-party inspection operations. The progress of the target achievement was checked based on the results of the carbon inventory, and the mid- and long-term reduction targets will be updated.</p> <p>4. PCSC has introduced an energy management system to control and manage electricity consumption in stores. In 2021, SGS was entrusted to carry out ISO50001 energy management system certification. Other bases also conduct energy management according to the operation structure of the energy management system, so as to achieve the purpose of continuous improvement of energy use.</p> <p>5. The annual internal audit plan is planned, aiming at the compliance with various relevant environmental laws and regulations, and each operating process has complied with the regulations.</p>
Social	Occupational Safety	<p>1. PCSC Passed the "TAF ISO45001 Occupational Safety Management System International Certification" again in 2021.</p> <p>2. PCSC Held the Occupational Safety and Health Committee on a quarterly basis, conducted management review meetings every year, promoted the organization of contractors' safety agreement meetings, etc., and held safety and health education and training to new and existing employees, occupational safety online courses including Traffic Safety Promotion (defensive driving)", " Office Ergonomic Hazards Prevention ".</p> <p>3. Through on-site safety observation, conducting safety counseling with on-site construction personnel, and carry out risk hazard identification: the improvement rate of annual workplace inspections is 100%.</p>
	Food safety risk	<p>PCSC pay attention to the health and safety of consumers, and put food safety as the top priority and invest each year to ensure rigorous quality control is maintained. From production to stores, we are continually setting up rigorous food safety protection networks for our consumers:</p> <p>1. Establishing the Merchandise Safety Committee and holding regular meetings to review contract manufacturers and supplier and implementation progress.</p> <p>2. Establishing the Product Safety Information Collection and Inventory Tracking Operational Standards and setting up inventory and tracking procedures to ensure the safety of Company products.</p> <p>3. Using measures like contractual cooperation, production site management, ingredient tracing mechanisms and systems, supplier grading, management and on-site assessment system, distribution centers and periodic store checks, as well as occasional sampling of raw materials and finished products, to stay on top of the entire supply chain from production to store.</p>
	Risks related to demographic structure changes	<p>Our major area of operations is the region of Taiwan. Convenience stores and logistics services, the important parts of our business, are both labor intensive. Taiwan has been faced with such issues as an acceleration in the aging of the population, and a declining birthrate. Thus, we consider the decrease in the labor force to be a risk for us.</p> <p>Countermeasures:</p> <p>1. Continuing to keep tabs on changing trends in consumer groups and develop products needed by senior consumers to take advantage of related business opportunities.</p> <p>2. Hiring re-employed women, middle-aged and senior workers.</p> <p>3. Taking advantage of technological developments, such as AI, and optimize business structure and processes, and human resource allocation at stores to increase efficiency and lower personnel costs.</p>
Corporate Governance	Regulatory compliance	<p>PCSC has established a cross-unit regulation identification team to collect information on newly revised regulations every month to confirm the compliance status regulations. We also held "Regulations Identification Meeting" to grasp the information of changes in regulations and take appropriate countermeasures. In addition, a "crisis management team" has been established to effectively control and deal with market risks and crises that may occur or have occurred.</p>
	Strengthen the functions of the board of directors	<p>1. Planning relevant training topics for directors, and providing directors with the latest regulations, system development and policies every year.</p> <p>2. Insuring directors' liability insurance to protect against lawsuits or claims.</p>

(7) Ethical corporate management at PCSC and related implementation:

Items Evaluated	Status		Brief Explanation	Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No		
1. Establishment of ethical operation policies and programs (1) Does PCSC have ethical operation policies established by the Board, and do PCSC's Articles of Incorporation and external documents explicitly expressing its ethical policies and methods and are the Board and management dedicated to the active implementation of these commitments?	V		In order to establish a sound corporate management system, PCSC considered regulations set forth in the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies coproduced by TWSE and GTSM and passed the Ethical Corporate Management Best Practice Principles at the meeting of the Board on December 19, 2014. On August 4, 2015, the Board passed revisions to the Best Practice Principles and established Ethical Corporate Management Operating Procedures and Code of Conduct. On July 30, 2020, the Board passed the revision of the Ethical Corporate Management Best Practice Principles and Policies, Ethical Corporate Management Operating Policies & Procedures to serve as a guidance for directors, managers, employees, fiduciaries, and substantive controllers. For more information regarding our ethical management principles, please go to the Company website or Taiwan Stock Exchange Market Observation Post System.	Compliant
(2) Did PCSC establish an evaluation system to evaluate risks of unethical behavior and regularly analyze and evaluate operations that have higher risk of unethical behavior and did the Company implement preventative measures for each Item under Clause 2, Article 7 of the Ethical Corporate Management Best Practice Principles and Policies for Listed Companies?	V		PCSC formulated the Procedures for Ethical Management and Guidelines for Conduct, Standards Governing Awards and Discipline, Ethical Corporate Management Best Practice Principles and Policies, and Ethical Corporate Management Operating Policies & Procedures and Code of Conduct to prevent unethical behavior. Sales personnel who contact outside firms are regularly rotated in order to prevent bribery. PCSC has also set up an Audit Reporting Line at 02-2747-8032 to effectively prevent corruption.	Compliant
(3) Do PCSC's unethical conduct prevention programs clearly specify relevant procedures, conduct guidelines, as well as a discipline and appeals system for rule violations, and are they regularly reviewed and amended?	V		PCSC formulated the Procedures for Ethical Management and Guidelines for Conduct, Standards Governing Awards and Discipline, Ethical Corporate Management Best Practice Principles and Policies, and Ethical Corporate Management Operating Policies & Procedures and Code of Conduct to prevent unethical behavior. Disciplinary action and complaints against employees that violate the code of conduct are carried out in accordance with the system set up by the Company for that express purpose.	Compliant
2. Implementing ethical corporate management				
(1) Does PCSC evaluate the ethical records of the businesses with which it has dealings and include clear ethical corporate behavior provisions in contracts with such counterparties?	V		To ensure that both parties to any transaction act in an ethical manner, to protect their common interests, PCSC has created an ethical corporate management provision (or agreement) that is part of every contract. Any request for an improper benefit by a Company employee or supplier must immediately be reported orally or in writing to the PCSC Internal Audit Office. All contracts between PCSC's marketing, procurement, or shopping center divisions and outside entities now incorporate articles regarding ethical corporate management.	Compliant
(2) Has PCSC established an organization under the direct jurisdiction of the Board of Directors that promotes ethical management principles and also reports to the Board regarding the implementation of these principles at least once a year?	V		In August 2015, PCSC established the interdepartmental Ethical Operations Team to strengthen the implementation of ethical corporate management. The Ethical Operations Team is composed of personnel from the Integrated Services Center, Board Secretary, business planning, finance, marketing, human resources, legal, operational planning, and audit divisions and is under the direct jurisdiction of the Board of Directors and the project manager in the President's Office serves as chairperson. The Team formulates and promotes best practice principles and reports annually to the Board regarding the implementation of these principles.	Compliant

Items Evaluated	Status			Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(3) Has PCSC formulated and implemented policies to prevent conflicts of interest and provide appropriate ways to record any potential conflicts found?	V		<p>1. PCSC's Board of Directors Meeting Procedures state that if a director or the company he/she represents has a conflict of interest with any of the matters under discussion by the Board, he/she is to explain the important points regarding the interests during the Board meeting. If any of the matters could negatively affect PCSC, he/she is to be barred from the discussion and vote on the proposal. The director shall recuse him or herself from the discussion and vote and may not act as proxy to vote on the resolution on behalf of another director. Should spouses, first or second-degree relatives or affiliated companies of the directors have interests with any of the matters under discussion by the Board, it shall be deemed that the directors have personal interests in the matter.</p> <p>2. PCSC formulated the Ethical Corporate Management Best Practice Principles and Policies, Ethical Corporate Management Operating Policies & Procedures and Code of Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Standards Governing Awards and Discipline to inform employee conduct. PCSC has also set up an Audit Reporting Line at 02-2747-8032.</p>	Compliant
(4) Has PCSC implemented effective accounting and internal control systems and has the audit division established relevant audit plans based on the results of the unethical risk evaluations and did the audit division ensure that the plans are being complied with or has PCSC had independent accountants periodically review them?	V		<p>1. In accordance with the law, PCSC established effective accounting and internal control systems and internal auditors routinely conduct compliance tests and employ a self-check system to ensure the effectiveness of internal control mechanisms. The audit reports are prepared and submitted to the Board for approval.</p> <p>2. Since the Company is belongs to chain stores retail business which is highly related to store selling. In order to prevention of unethical cases, the Company particularly emphasizes the implement preventative measures under item 7, Clause 2, Article 7 of the Ethical Corporate Management Best Practice Principles and Policies for Listed Companies that "Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services." As a result, The company conducts regular assessments to prevent unethical actions (such as store staff failed to implement on sales operation) and set up related prevention rules and actions for relevant divisions to follow.</p>	Compliant
(5) Does PCSC periodically hold internal and external ethical corporate behavior training?	V		<p>1. The Company's internal website features a Policy Promotion Area to educate employees about regulations governing ethical corporate behavior. In 2015, PCSC established the Ethical Operations Case Team to promote related education among employees, and each year, PCSC establishes a training theme.</p> <p>2. The external training for high-level managers in 2021 included "Corporate Governance 3.0 - Sustainable Development Blueprint", "Obligations and Responsibilities of Companies and Directors under the Securities and Exchange Act", "SEP Corporate Governance Course", and "2021 Board of Directors and Shareholders' Meetings", totaling 11 hours.</p> <p>3. The external training included "Internal Control Internal Audit - Digital Change in Response to Three Lines of Defense: The Development and Digital Trend of Internal Control Internal Audit and Legal Compliance" and "Legal Compliance Audit Practice for Corporate Investment and Mergers and Acquisitions", totaling 13 hours. A total of 215 hours of internal training on the "Logistics, Good Faith Management, and Personal Information Protection" was completed.</p> <p>4. The main thrust of legal compliance education training in 2021 included "Fair Law", "Insider Trading", "Logistics Education Training", "Personal Information", "Information Security", and "Online Course on Labor Law", and the training contents are as follows:</p> <p>(1). Conducted common education on the rule of law for middle and high-level managers (Fairness Act), using online education, with 488 participants completing a total of 1,464 hours.</p> <p>(2). Logistics Education and Training:</p> <p>A. 7-ELEVEN brand use: 325 people; 325 hours.</p> <p>B. A training class on general legal knowledge: 192 people; 192 hours.</p> <p>(3). Personal training courses: including personal training for new employees, advanced personal training, and personal training for managers (external training by Institute for Information Industry), with a total of 78 participants completing 198 hours.</p> <p>(4). Information security awareness education: New digital courses on information security vulnerability prevention were added to strengthen employees' information security concepts and build awareness of information security risks, to reduce the risk of leakage of important personal and company data, and to enhance information security protection in general. 1,856 people completed the courses, with a total of 928 hours.</p>	Compliant

Items Evaluated	Status			Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			<p>(5).Education and training on prevention of insider trading:</p> <ul style="list-style-type: none"> The education on prevention of insider trading is aimed at all employees. The course contents include advanced education on ethical management, supplementary education on insider trading, education on Taipei Exchange, and education on the Financial Supervisory Commission. We have completed digital online courses for our colleagues to learn at any time. 2,528 people have completed the courses, totaling 1,264 hours. (6).The "Labor Law Seminar" series of online courses were completed by 6,045 participants, totaling 3,022.5 hours. <p>5.Enhancing business quality assurance education and training: PCSC has conducted quarterly quality assurance-related courses promotion, and added "Quality Assurance Case Promotion", "Summer Quality Assurance Key Reminders" and "Food Hygiene Practices Guidelines" as well as other courses to continue optimizing stores and safety hygiene and store quality control to help maintain the health and safety of customers.</p>	
3. Operation of the Company's Violation Reporting System				
(1) Has PCSC established a concrete violation reporting and rewards system, set up convenient reporting channels, and appointed suitable personnel to handle these cases?	V		<p>1.Both PCSC's Internal Audit Office and Integrated Services Center have set up exclusive reporting hotlines. Stakeholders may also report any violations through the stakeholder section of our website. In addition, we also have a complete system and mechanisms to ensure stakeholder feedback is followed up properly. After a stakeholder sends their opinion by email through our website, their message is passed through the system directly to the responsible party, who is then required to update the status of the case within a specified period of time. PCSC keeps track of the number of reports received each month and the status of each case.</p> <p>2. In 2021, 2,380 messages were received through the stakeholder feedback section of the website.</p> <p>3.The violation reporting and rewards system has been implemented in accordance with the Standards Governing Awards and Discipline and Regulations Governing Product Safety Protections as set forth by human resources and quality assurance divisions. The Awards and Discipline Committee conducts deliberations according to these policies and the results of its appraisals are published on the Company's internal website.</p>	Compliant
(2) Has PCSC established an investigation an SOP for violation reporting, follow-up measures, and relevant mechanisms to ensure confidentiality?	V		PCSC has established an internal investigation SOP for violation reporting and a relevant confidentiality mechanism. Information related to reported violations is only available to auditing personnel and their direct supervisors, while related documents are placed on file by the audit supervisor. If follow-up investigations show any violations of Company regulations or Company's losses, violators are to be disciplined in accordance with PCSC regulations and correction are to be made.	Compliant
(3) Does PCSC have any measures in place to protect individuals from possible mistreatment arising from reporting violations?	V		PCSC has the duty to keep information about individuals who report violations confidential. Information about such individuals cannot be released without their prior consent to keep them from being improperly punished or their personal information being exposed.	Compliant
4. Strengthening information disclosure Does PCSC disclose the content of its Best Practice Principles and its effectiveness on their website and the TWSE market observation post system?	V		PCSC discloses our Ethical Corporate Management Best Practice Principles and Policies , operating procedures, and code of conduct on our investor relations website and TWSE Market Observation Post System.	Compliant
<p>5. If the Company has established a code of ethical corporate management based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please discuss the specifics of the code and implementation below:</p> <p>On December 19, 2014, PCSC established its Ethical Corporate Management Best Practice Principles as required by the Financial Supervisory Commission. On August 4, 2015, the Board passed revisions to the Best Practice Principles and established Ethical Corporate Management Operating Procedures and Code of Conduct. On July 30, 2020, the Board passed the revision of the Ethical Corporate Management Best Practice Principles and Policies and the Ethical Corporate Management Operating Procedures and Code of Conduct, implemented as written by the Ethical Operations Team. The Ethical Corporate Management Practice Team holds meetings on these issues on a regular basis (Due to the epidemic in 2021, it changed to written communication and promotion).</p>				

Items Evaluated	Status			Variations (if any) with the Ethical Corporate Management Best Practice Principles and Policies for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	

6. Other information that will assist in the understanding of Company ethical corporate management practices: (such as reviewing and revision of the Company's existing Ethical Corporate Management Best Practice Principles)

In addition to operating according to PCSC's Ethical Corporate Management Best Practice Principles and Policies, the Company has also established working rules, which clearly specify rights and obligations of both employers and employees, and the Procedures for Ethical Management and Guidelines for Conduct Bulletin that sets up standards for moral conduct, gender interaction, gift giving and meals, and behavior with outside firms. PCSC employees sign a convention of self-discipline in this regard. PCSC has also established a system that implements appropriate disciplinary measure in cases of rules violations. The ethical corporate management provision is now part of all contracts with outside parties and suppliers. In order to ensure ethical operations are implemented fully, we have also set up an internal control mechanism where internal auditors perform evaluations regarding adherence to related regulations. Our subsidiaries also follow these regulations to ensure operations are conducted ethically. External marketing and manufacturing trade contracts, external contracts with relevant units, and "Code of Conduct for Subcontractors" all include an ethical corporate management provision. In addition, to ensure the realization of ethical corporate management, PCSC has establish effective internal control system and internal auditors also carry out checks on a regular basis to determine ensure adherence. Company subsidiaries also follow Company standards of ethical corporate management.

(8) Company procedures for processing material information:

Although the Company has not set up procedures regarding the processing of material information, in order to properly manage important internal information, PCSC has established the Operating Standards for Unscheduled Announcements and the 7-ELEVEN Spokesperson System to serve as standard procedures for directors, managers, and employees. These standards are posted on the Company's internal website for employee reference. As required by law, the standards are reviewed annually and revised as necessary. Furthermore, as part of our internal control mechanism, PCSC has established management practices to prevent insider trading to eliminate the possibility that directors or employees will use internal information gleaned from their positions for their material benefit. In the future, these standards will meet all applicable regulations and laws.

(9) Status of internal control system implementation:

Internal Control Declaration: Please refer to page 95 of this report.

If PCSC has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: N/A

(10) During the most recent year and as of the date of publication of the Annual Report, any disciplinary measures taken against the Company or its internal staff due to violations of legal requirements or taken by the Company against its own staff due to violations of the internal control system. The details of the disciplinary measures, major faults, and improvement measures should be noted: Please refer to page 71 of this report.

(11) Major resolutions voted on at Shareholder, Board Meetings, the Audit Committee and Remuneration Committee during the most recent year and as of the date of publication of the Annual Report:

1. Major resolutions voted on in the Shareholders' Meeting: (The following resolutions have been implemented)

During 2021 and this year as of the date of publication of the Annual Report, one General Shareholders' Meeting was held. The annual General Shareholders' meeting was held on July 16, 2021. The resolutions below were approved at the meeting: :

- (1) Approval of the financial report for 2020: Including business reports, financial statements, and distribution of profits.
Result: Resolution passed.
- (2) Proposal on the distribution of 2020 profits: In 2020, the Company had distributable income amounting to NT\$10,196,552,345.
Result: Resolution passed and a cash dividend of NT\$9.0 per share was paid out on October 13, 2021.
- (3) Amendments to the Company's Articles of Incorporation: Cooperate with the revision of laws and regulations and meet the needs of practical operations.
Result: The resolution was approved and registered by the Ministry of Economic Affairs on August 20, 2021 and announced on the Company's website.
- (4) Amendments to the Rules of Procedure of the Company's Shareholders' Meeting: Cooperate with the revision of laws and regulations and meet the needs of practical operations.
Result: The above resolution was approved by the Shareholders' Meeting and implemented.

(5) Re-election of directors (including independent directors):

List of elected directors:

Representative of Uni-President Enterprises Corp.: Lo, Chih-Hsien, Chen, Jui-Tang, Huang, Jui-Tien, Wu, Liang-Feng, Su, Tsung-Ming, Huang, Jau-Kai, Wu, Kun-Lin, Wu, Tsung-Pin, Wu, Wen-Chi.

Representative of Kao Chuan Investment Co., Ltd.: Kao, Shiow-Ling.

List of elected independent directors: Hsu, Ke-Wei, Chen, Liang, Hung, Yung-Chen.

Result: The above resolution was approved by the Shareholders' Meeting and implemented.

(6) Resolution to Remove Non-Competition Restrictions for PCSC Directors.

Result: The above resolution was approved by the Shareholders' Meeting and implemented.

2. Major resolutions approved at Board Meetings:

(Some applications for the renewal of credit limits from financial institutions are currently being implemented, while PCSC's 2021 earnings and dividend distribution proposal must still be approved by the 2022 Shareholders' Meeting. All other resolutions have completed execution.)

During the fiscal year 2021 and as of the date of the publication this report, seven Board Meetings were convened. Major resolutions approved at these meetings are summarized below:

(1) The 20th meeting of the 12th Board (Date: February 26, 2021):

- Approved the 2020 employee and director earnings distribution proposal.
- Approved 2020 financial statements and consolidated financial statement.
- Approved the Company's 2020 Internal Control System Statement.
- Approved 2020 business reports.
- Approved the 2020 earnings distribution proposal.
- Approved the 2020 dividend distribution proposal.
- Approved the proposed agenda of 2021 Shareholders' Meeting.
- Approved the procedures regarding the "Notice of the right of shareholders to make proposals" for the 2021 Shareholders' Meeting.
- Approved the re-election proposal of the Company's directors (including independent directors).
- Approved procedures regarding the "Notice for the acceptance of director candidate nominations (including independent directors)" for the 2021 Shareholders' Meeting.
- Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
- Approved amendments to the PCSC Articles of Incorporation.
- Approved amendments to the Shareholders' Meeting Procedures.
- Approved proposal by Company's subsidiary President Chain Store (Hong Kong) Holdings Limited to increase the capital of Shanghai President Logistic Co., Ltd..
- Approved the proposal of the Company's purchase of shares in Connection Labs Ltd.
- Approved the proposal of the Company's purchase of shares in Philippine Seven Corporation.
- Approved the Company's proposal to increase the capital of Connection labs Ltd.
- Approved proposal to change PCSC's CPA.
- Approved the PCSC CPA Independence Evaluation Resolution.
- Approved trademark transfer authorization.
- Approved TSMC's purchase of commodity welfare card contract donations.
- Approved the proposal to establish, change, and remove Company branches and stores in 2021.
- Approved the date and venue for the 21th meeting of the 12th Board.

(2) The 21th meeting of the 12th Board (Date: May 4, 2021):

- Approved the PCSC director (including independent directors) qualification evaluation proposal.
- Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
- Approved the motion on the application for the renewal of credit limits and adjustments from financial institutions.
- Approved the 2021 proposal to establish, change and remove Company branches and stores.

(3) The 22th meeting of the 12th Board (Date: June 24, 2021):

- Approved rescheduling the date and venue of the Company's 2021 general meeting of shareholders.
- Approved the resolution to renewing liability insurance for directors and key employees.
- Approved tax policies and provisions amendments.
- Approved CSR Committee renaming and management document amendments.
- Approved the proposal to establish and remove Company branches and stores.
- Approved the sponsorship proposal of 2021 National Intercollegiate Athletic Games.

(4) The 1st meeting of the 13th Board (Date: July 16, 2021):

- Approved the election of the Chairman of PCSC's 13th Board.

(5) The 2nd meeting of the 13th Board (Date: Aug 3, 2021):

- Approved the proposal to acquire and sell Company's real estate.
- Approved appointment of PCSC president.
- Approved appointment of members of PCSC's 5th Remuneration Committee.
- Approved appointment of members of PCSC's 2nd Sustainable Development Committee.
- Approved the record dates of 2020 earnings distribution and dividend payment.
- Approved the application for the adjustment and renewal of credit limits from financial institutions.
- Approved 2021 Financial Statement and Profit-seeking Enterprise Income Tax Auditing and Certification fee.

- Approved the proposal to establish, change, and remove Company branches and stores.
 - Approved the proposal to sign management consulting contract.
- (6) The 3rd meeting of the 13th Board (Date: November 2, 2021)
- Approved amendments to the Company's 2022 Internal Control System.
 - Approved the Company's 2022 audit plan.
 - Approved resolution to Remove Non-Competition Restrictions for PCSC Managers.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the donation proposal for the North 3rd District NTUA store for the year 2021.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2021.
- (7) The 4th meeting of the 13th Board (Date: December 10, 2021)
- Approved the 2022 operations plan proposal.
 - Approved the proposal for Company 2022 donation plans.
 - Approved the proposal to dispose of real property and related right-of-use assets from 21 Century Co., Ltd.
 - Approved the proposal to dispose of real property and related right-of-use assets from President Natural Industrial Corporation.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2022.
- (8) The 5th meeting of the 13th Board (Date: February 24, 2022)
- Approved the 2021 employee and director earnings distribution proposal.
 - Approved 2021 financial statements and consolidated financial statement.
 - Approved the Company's 2021 Internal Control System Statement.
 - Approved 2021 business reports.
 - Approved the 2021 earnings distribution proposal.
 - Approved the 2021 dividend distribution proposal.
 - Approved the appropriation of the Company's legal reserve for fiscal 2021.
 - Approved the proposed agenda of the 2022 Shareholders' Meeting.
 - Approved the procedures regarding the "Notice of the right of shareholders to make proposals" for the 2022 Shareholders' Meeting.
 - Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
 - Approved amendments of the PCSC Articles of Incorporation.
 - Approved amendments of the Company's Procedures for the Acquisition or Disposal of Assets.
 - Approved amendments of the Company's Corporate Governance Best-Practice Principles.
 - Adopted the renaming of the Rules for the Practice of Corporate Social Responsibility and related article amendments.
 - Approved the Company's donation plans for public welfare activities.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the acquisition or disposal of real estate assets from the Company's affiliates.
 - Approved the Company's capital increase in Uni-President Oven Bakery Corp.
 - Approved the PCSC CPA Independence Evaluation Resolution.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2022.
3. Major resolutions approved at Audit Committee:
- During the fiscal year 2021 and as of the date of the publication this report, seven audit committee meetings were convened. Major resolutions approved at these meetings are summarized below:
- (1) The 11th meeting of the 3rd Audit Committee (Date: February 25, 2021)
- Approved the ratification of the Company's purchase of shares in Connection Labs Ltd.
 - Approved the ratification of the Company's purchase of shares in Philippine Seven Corporation.
 - Approved the proposal of the Company's capital increase in Connection Labs Ltd.
 - Approved the proposal of Company subsidiary President Chain Store (Hong Kong) Holdings Limited to increase the capital of Shanghai President Logistic Co., Ltd.
 - Presentation of the 2020 PCSC Internal Control Statement.
 - Approved 2020 financial statements and consolidated financial statement reports.
 - Approved proposal to change PCSC's CPA.
 - Approved the PCSC CPA Independence Evaluation Resolution.
- (2) The 12th meeting of the 3rd Audit Committee (Date: May 3, 2021)
- Approved the 2020 earnings distribution proposal and business reports.
- (3) The 1st meeting of the 4th Audit Committee (Date: August 2, 2021)
- Approved the Company's acquisition and sale of real estate.
 - Approved the Company's financial statements for fiscal year 2021 and the public fee for income tax audit.
 - Approved the Company's signing of the management consulting contract.
- (4) The 2nd meeting of the 4th Audit Committee (Date: November 1, 2021)
- Approved the 2022 "PCSC Internal Control System" amendment.
 - Presentation of the 2022 audit plan.

- (5) The 3rd meeting of the 4th Audit Committee (Date: December 9, 2021)
- Approved the proposal to dispose of real property and related right-of-use assets from 21 Century Co., Ltd.
 - Approved the proposal to dispose of real property and related right-of-use assets from President Natural Industrial Corporation.
- (6) The 4th meeting of the 4th Audit Committee (Date: February 23, 2022)
- Approved 2021 financial statements and consolidated financial statement reports.
 - Presentation of the 2021 PCSC Internal Control Statement.
 - Approved amendment to the Company's Procedures for the Acquisition or Disposal of Assets.
 - Approved Acquisition or disposal of real estate assets from related parties.
 - Approved the Company's capital increase in Uni-President Oven Bakery Corp.
 - Approved the PCSC CPA Independence Evaluation Resolution.
- (7) The 5th meeting of the 4th Audit Committee (Date: Feb 24, 2022)
- Approved the 2021 earnings distribution proposal and business reports.
4. Major resolutions approved at Remuneration Committee:
- (1) During the fiscal year 2021 and as of the date of the publication this report, three remuneration committee meetings were convened. Major resolutions approved at these meetings are summarized below:
- 1) The 8th meeting of the 4th Remuneration Committee (Date: February 25, 2021)
 - Resolution to the 2020 employee and director earnings distribution proposal and appropriation.
 - Results: Resolution passed.
 - 2) The 9th meeting of the 4th Remuneration Committee (Date: May 3, 2021)
 - Remuneration actually paid to Company directors and managers in 2020.
 - Results: Resolution passed.
 - 3) The 1st meeting of the 5th Remuneration Committee (Date: February 23, 2022)
 - Resolution to the 2021 employee and director earnings distribution proposal and appropriation.
 - Results: Resolution passed.
 - 4) There are no written or otherwise recorded resolutions on which a member of the Remuneration Committee had a dissenting opinion or qualified opinion.

(12) Differing opinions in records or written statements from directors or supervisors regarding important resolutions made by the Board in the most recent year and through the publication of the Annual Report: None

(13) Summary of the resignations and dismissals of the chairman, president, accountant division manager, chief financial officer, internal auditing manager, Company Secretary, and R&D manager during the last year and up to the time of printing: None

(14) Certificates Earned by Employees Involved in Financial Information Transparency:

31 December 2021

Certificates	Number of employees who hold professional certificates
Certified Internal Auditor (CIA)	2
Certified Information Systems Auditor (CISA)	1(Note)
ERP Application Engineer	1
Certified Public Accountant:	3
Certified Public Bookkeeper	4
Taiwan Internal Auditor	1
Technician for Accounting (Level C)	11
Enterprise Internal Control Basic Skills Examination	18
TPIPAS Personal Information Management Professional	11
TPIPAS Personal Information Internal Assessment Professional	3
Corporate Governance General examination	3

Note: Staff member in the PCSC's Internal Audit Office earned Certified Information Systems Auditors (CISA).

4. Independent auditors

(1) Audit fees

Unit: NT\$1000

Auditing Firm	Auditor Names	Audit Period	Audit Fees	Non-Audit Related Fees	Total	Remarks
PRICEWATERHOUSECOOPERS	Liang, I-Chang	2021 Fiscal Year	12,800	11,178	23,978	Non-Audit Related Fees include CSR report, consulting service fees and tax compliance audit, etc.
	Lin, Se-Kai	2021 Fiscal Year				

(2) Changing of auditors- Should the Company change auditors over the past two years, the below information shall be disclosed:

1. Former CPAs

Date of Change	Approved by Board of Directors on February 26, 2021		
Reasons and Explanation of Changes	In compliance with internal rotation of PricewaterhouseCoopers Taiwan		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Status	Client	Consignor
	Appointment terminated automatically	CPA	
	Appointment rejected (discontinued)	Not applicable	
The Opinions other than Unmodified Opinion issued in last two years and the reasons for the said Opinions	Not applicable		
Any disagreement in opinion with the issuer	Yes	X	Accounting principle or practice
		X	Disclosure of financial statements
		X	Auditing scope or procedures
		X	Others
	NO	V	
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	Explanation: NA		
	Not applicable		

2. Successor CPAs

Accounting Firm	PricewaterhouseCoopers Taiwan
Name of CPA	Liang, I-Chang and Lin, Se-Kai
Date of Engagement	Approved by Board of Directors on February 26, 2021
Prior to the Formal Engagement, Any inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that might be Rendered on the Financial Report	None
Written Opinions from the successor CPAs that are Different from the Former CPA's Opinions	None

3. The reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

(3) If the Company's chairman, president, or managers responsible for financial and accounting affairs have held any position in the accounting firm or its affiliates during the past year, all relevant information should be disclosed: N/A.

5. Net Change in shareholdings and in shares pledged by directors, management, and shareholders holding more than a 10% share in the Company

(1) Recent changes:

Unit: Shares

Title	Name	2021		This year as of February 28	
		Net increase (decrease) in shares held	Net increase (decrease) in shares pledged	Net increase (decrease) in shares held	Net increase (decrease) in shares pledged
Director and Institutional Shareholder, Major Shareholder	Uni-President Enterprises Corp.	0	0	0	0
Director and Institutional Shareholder	Kao Chuan Investment Co., Ltd.	0	0	0	0
Chairman	Lo, Chih-Hsien	0	0	0	0
Director	Kao, Shioh-Ling	0	0	0	0
Director/PCSC Special Assistant to Chairman	Chen, Jui-Tang	0	0	0	0
Director/PCSC President	Huang, Jui-Tien	0	0	0	0
Director	Wu, Liang-Feng	0	0	0	0
Director	Su, Tsung-Ming	0	0	0	0
Director	Huang, Jau-Kai	0	0	0	0
Director	Wu, Kun-Lin	0	0	0	0
Director	Wu, Tsung-Pin	0	0	0	0
Director/ PCSC Chief Financial Officer (Vice President)	Wu, Wen-Chi	0	0	0	0
Independent Director	Wang, Wen-Yeu(Note)	0	0	0	0
Independent Director	Shu, Pei-Gi(Note)	0	0	0	0
Independent Director	Hung, Yung-Chen	0	0	0	0
Independent Director	Hsu, Ke-Wei(Note)	0	0	0	0
Independent Director	Chen, Liang(Note)	0	0	0	0
Vice President	Hsieh, Lien-Tang	0	0	0	0
Vice President	Lin, Chi-Chang	0	0	0	0
Vice President	Chang, Chia-Hua	0	0	0	0
Chief Accounting Officer (Vice President)	Lee, Johnnyih	0	0	0	0
Vice President	Lin, Hung-Chun	0	0	0	0
Project Vice President	Hsieh, Kuan-Hung	0	0	0	0
Project Vice President	Hsu, Kwang-Yu	0	0	0	0
Project Vice President	Hsieh Hung, Hui-Tzu	0	0	0	0
Project Vice President	Wu, Hui-Chen	0	0	0	0
Project Vice President	Chang, Kuo-Kuang	0	0	0	0

Note: Wang, Wen-Yeu was dismissed in July 2021; Shu, Pei-Gi was dismissed in July 2021; Hsu, Ke-Wei began his term in July 2021; Chen, Liang began his term in July 2021.

(2) Stock transfers to related parties: None

(3) Pledge of stock rights to related parties: None

6. Relationships between the Company's Top 10 largest shareholders and their shareholding percentages:

28 February 2022

Name	Shares Held Personally		Shares Held by Spouse or Minor Children		Shares Held by Nominee Agents		Names of Spouse or other relatives within two degrees of consanguinity who are also among PCSC's top 10 largest shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Uni-President Enterprises Corp.	471,996,430	45.40%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Lo, Chih-Hsien	1,032,215	0.10%	1,044,139	0.10%	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Chen, Jui-Tang	13,652	0.00%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Huang, Jui-Tien	15,391	0.00%	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Huang, Jau-Kai	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Su, Tsung-Ming	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Liang-Feng	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Kun-Lin	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Tsung-Pin	–	–	–	–	–	–	None	None	–
Uni-President Enterprises Corp. Representative: Wu, Wen-Chi	556	0.00%	737	0.00%	–	–	None	None	–
Cathay Life Insurance	28,945,316	2.78%	–	–	–	–	None	None	–
PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank	23,160,162	2.23%	–	–	–	–	None	None	–
Labor Pension Fund (New Scheme)	18,446,500	1.77%	–	–	–	–	None	None	–
Fubon Life Insurance	17,361,000	1.67%	–	–	–	–	None	None	–
Labor Insurance Fund	13,921,000	1.34%	–	–	–	–	None	None	–
Chunghwa Post Co., Ltd.	12,742,000	1.23%	–	–	–	–	None	None	–
JPMorgan Chase Bank N.A. Taipei Branch in custody for T. Rowe Price Emerging Markets Stock Fund	9,775,000	0.94%	–	–	–	–	None	None	–
National Pension Insurance Fund	8,011,000	0.77%	–	–	–	–	None	None	–
Norges Bank	7,970,912	0.77%	–	–	–	–	None	None	–

Note: Except Uni-President Enterprises Corp., the information for other shareholders and their shareholding percentages is as of 9 September 2021.

7. PCSC, Company directors, managements, and directly or indirectly owned subsidiaries' ownership of shares in affiliated enterprises:

31 December 2021 / Units: Shares, %

Affiliated Enterprise	Ownership by PCSC		Ownership by directs, managements, and directly/indirectly owned subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
PCSC (BVI) Holdings Ltd.	171,589,586	100.00%	0	0.00%	171,589,586	100.00%
PCSC (China) Drugstore Ltd.	8,746,008	92.20%	740,000	7.80%	9,486,008	100.00%
President Drugstore Business	78,520,000	100.00%	0	0.00%	78,520,000	100.00%
iCASH Corp.	70,000,000	100.00%	0	0.00%	70,000,000	100.00%
President Lanyang Art Corporation.	2,000,000	100.00%	0	0.00%	2,000,000	100.00%
Cold Stone Creamery Taiwan Ltd.	12,244,390	100.00%	0	0.00%	12,244,390	100.00%
Wisdom Distribution Service Corp.	10,847,421	100.00%	0	0.00%	10,847,421	100.00%
21 Century Co., Ltd.	10,000,000	100.00%	0	0.00%	10,000,000	100.00%
Uni-President Oven Bakery Corp.	6,511,963	100.00%	0	0.00%	6,511,963	100.00%
President Chain Store Tokyo Marketing Corp.	9,800	100.00%	0	0.00%	9,800	100.00%
Capital Inventory Services Corp.	2,500,000	100.00%	0	0.00%	2,500,000	100.00%
President Being Corp.	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
President Chain Store Corporation Insurance Brokers Co., Ltd.	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
Ren-Hui Investment Corp.	6,500,000	100.00%	0	0.00%	6,500,000	100.00%
Connection Labs Ltd.	11,722,779	100.00%	0	0.00%	11,722,779	100.00%
Uni-President Superior Commissary Corp.	48,519,890	90.00%	1	0.00%	48,519,891	90.00%
Q-Ware Systems & Services Corp.	24,382,921	86.76%	1	0.00%	24,382,922	86.76%
President Information Corp.	25,714,475	86.00%	1	0.00%	25,714,476	86.00%
Mech-President Corp.	55,858,815	80.87%	13,046,359	18.89%	68,905,174	99.76%
President Pharmaceutical Corp.	22,121,962	73.74%	1	0.00%	22,121,963	73.74%
President Transnet Corp.	103,496,399	70.00%	29,570,401	20.00%	133,066,800	90.00%
President Collect Services Co., Ltd.	1,049,999	70.00%	1	0.00%	1,050,000	70.00%
Uni-President Department Store Corp.	27,999,999	70.00%	12,000,001	30.00%	40,000,000	100.00%
Uni-President Cold-Chain Corp.	42,934,976	60.00%	14,311,659	20.00%	57,246,635	80.00%
Uni-Wonder Corp.	21,382,674	60.00%	14,255,116	40.00%	35,637,790	100.00%
Duskin Serve Taiwan Co.	10,199,999	51.00%	1	0.00%	10,200,000	51.00%
Books.com Co., Ltd.	9,999,999	50.03%	1	0.00%	10,000,000	50.03%
Mister Donut Taiwan Corp.	7,500,049	50.00%	1	0.00%	7,500,050	50.00%
President Organic Corp.	1,833,333	36.67%	2,833,333	56.67%	4,666,666	93.34%
Retail Support International Corp.	6,429,999	25.00%	5,144,001	20.00%	11,574,000	45.00%
Uni-President Development Corp.	72,000,000	20.00%	108,000,000	30.00%	180,000,000	50.00%
PresiCarre Corp.	145,172,360	19.50%	152,620,560	20.50%	297,792,920	40.00%
President Fair Development Corp.	190,000,000	19.00%	405,000,000	40.50%	595,000,000	59.50%
President Technology Corp.	750,000	15.00%	0	0.00%	750,000	15.00%
Tung Ho Development Corp.	9,965,000	6.23%	143,913,500	89.95%	153,878,500	96.18%
President International Development Corp.	44,100,000	3.33%	942,430,230	71.23%	986,530,230	74.56%

4 Fund Raising

1. Capital and shares

(1) Source of Capital:

a. Shares issued:

28 February 2022 / Units: NT\$; Shares

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Expansion by Assets other than Cash	Date of Approval and Document Number
2002/07	10	900,000,000	9,000,000,000	772,031,899	7,720,318,990	Capitalization of retained earnings	None	July 19, 2002 (91) Tai-Tsai-Tzeng (1) No. 0910140565
2003/07	10	900,000,000	9,000,000,000	858,499,471	8,584,994,710	Capitalization of retained earnings	None	July 17, 2003 (92) Tai-Tsai-Tzeng (1) No. 0920132220
2004/08	10	960,000,000	9,600,000,000	915,160,436	9,151,604,360	Capitalization of retained earnings	None	July 20, 2004 Chin-Kuan-Cheng-Yi-Zi No. 0930132295 on file
2009/08	10	1,050,000,000	10,500,000,000	1,039,622,255	10,396,222,550	Capitalization of retained earnings	None	July 16, 2009 Approval Letter Chin-Kuan-Cheng-Fa-Tzu No. 0980035714 on file

Note: When established in June 1987, the stated capital of the Company amounted to NT\$ 100,000,000. After several capitalizations of retained earnings, the paid-in capital as of February 28, 2022 totaled NT\$10,396,222,550.

b. Capital and shares:

Unit: Shares

Type of Stock	Authorized Capital			Remarks
	Outstanding Shares	Non-Issued Shares	Total	
Common Stock, Inscribed	1,039,622,255	10,377,745	1,050,000,000	Listed Stocks

(2) Shareholder structure:

As of 9 September 2021 / Unit: Shares

Shareholder Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions and Individuals	Total
Number of Shareholders	0	0	239	39,051	952	40,242
Shares Held	0	0	654,502,527	55,403,115	329,716,613	1,039,622,255
Holding Percentage	0.00%	0.00%	62.96%	5.33%	31.72%	100.00%

(3) Distribution of shareholders:

As of 9 September 2021 / Par value NT\$10

Tiers of Shareholding	Number of Shareholders	Total Shares Held	Holding Percentage
1 to 999	21,460	3,284,955	0.32%
1,000 to 5,000	16,273	27,923,549	2.69%
5,001 to 10,000	1,105	8,196,123	0.79%
10,001 to 15,000	330	4,137,027	0.40%
15,001 to 20,000	165	3,003,378	0.29%
20,001 to 30,000	180	4,430,578	0.42%
30,001 to 40,000	91	3,220,888	0.31%
40,001 to 50,000	54	2,465,147	0.24%
50,001 to 100,000	164	11,995,444	1.15%
100,001 to 200,000	113	16,519,618	1.59%
200,001 to 400,000	94	26,947,501	2.59%
400,001 to 600,000	59	29,194,570	2.81%
600,001 to 800,000	35	24,466,144	2.35%
800,001 to 1,000,000	13	11,344,082	1.09%
1,000,001 and above	106	862,493,251	82.96%
Total	40,242	1,039,622,255	100.00%

(4) Major shareholders:

As of 9 September 2021

Shareholders	Shares	Number of Shares Held	Holding Percentage
Uni-President Enterprises Corp.		471,996,430	45.40%
Cathay Life Insurance		28,945,316	2.78%
PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank		23,160,162	2.23%
Labor Pension Fund (New Scheme)		18,446,500	1.77%
Fubon Life Insurance		17,361,000	1.67%
Labor Insurance Fund		13,921,000	1.34%
Chunghwa Post Co., Ltd.		12,742,000	1.23%
JPMorgan Chase Bank N.A. Taipei Branch in custody for T. Rowe Price Emerging Markets Stock Fund		9,775,000	0.94%
National Pension Insurance Fund		8,011,000	0.77%
Norges Bank - internal - NBIM PF EQ INTERNAL CFD		7,970,912	0.77%

(5) Share prices, net value, earnings, dividends, and other relevant information for the last two years:

Unit: NT\$

Item	Year	2020	2021	As of 28 February 2022	
Market Price per Share (Note 1)	Highest	311.50	294.00	276.00	
	Lowest	253.00	253.50	258.00	
	Average	281.27	273.88	264.74	
Net Value per Share	Before Distribution	34.65	32.86	—	
	After Distribution	25.65	23.86(Note 5)	—	
Earnings per Share	Weighted Average Number of Shares (Shares)	1,039,622,255	1,039,622,255	1,039,622,255	
	Earnings per Share (Undiluted)	9.85	8.52	—	
Dividend per Share	Cash Dividends		9.00	9.00 (Note 5)	—
	Stock Dividends	—	—	—	—
		—	—	—	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment	Price/Earning Ratio (Note 2)	28.79	32.16	—	
	Price/Dividend Ratio (Note 3)	31.50	30.44(Note 5)	—	
	Cash Dividend Yield Rate (Note 4)	3.17%	3.29%(Note 5)	—	

Note 1: Market price is referred to TWSE website.

Note 2: Price/Earning Ratio= Average Market Price/ Diluted Earnings per Share

Note 3: Price/Dividend Ratio= Average Market Price/ Cash Dividends per Share

Note 4: Cash Dividend Yield Rate=Cash Dividends Per Share/ Average Market Price

Note 5: The earnings distributions for 2021 have not yet been approved by the Shareholders' Meeting.

(6) Dividend policy and implementation:

1. Dividend policy

(1) Dividend policy as outlined in the Company's Articles of Incorporation

The current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses. Should there still be a surplus, 10% of the remaining amount is to be set aside as a legal reserve. After setting aside and reserving a special reserve, the remaining amount combined with accumulated unappropriated earnings from prior years will be distributable earnings for the period. The distribution of accumulated distributable earnings is proposed by the Board of Directors in consideration of industry conditions, the Company's future operations, and investment plans, which are disbursed following approval of the proposal by the Shareholders' Meeting. Disbursement of shareholder dividends and bonuses are set as 50-100% of the accumulated distributable earnings, and 50-100% of which is to be issued as cash dividends, while the remainder is to be unappropriated retain earnings.

(2) PCSC business is growing steady. Taking the capital requirements and profitability of the Company into consideration, the Company's profit distribution over the next 3 years will consist primarily of cash dividends. In accordance with the Articles of Incorporation, 50%-100% of said profits are to be issued in the form of cash dividends.

2. The proposed distribution of 2021 profit approved by the Board of Directors will be submitted to the 2022 Annual Shareholders' Meeting for approval. The proposal approved by the Board of Directors on February 24, 2022 is as follows: allocating NT\$7,495,676,458 from the 2021 distributable earnings with a distribution amount of NT\$7.21 per share and NT\$1,860,923,837 from the legal reserve with a distribution amount of NT\$1.79 per share to be issued as cash dividends, distributing NT\$ 9 per share. After the approval at the Shareholder's Meeting, the Board of Directors shall set a distribution record date.

(7) Impact on the Company's operating performance and EPS of the stock dividend proposed at the Shareholders' Meeting:

The Company did not distribute stock dividends this year, so this is not applicable.

(8) Employee compensation and director remuneration:

1. According to PCSC's Articles of Incorporation, if the current year's profit situation (pre-tax profits prior to deduction of employee compensation and director remuneration) is deducted by accumulated deficit, no less than 2% of said surplus shall be distributed as employee compensation and no more than 2% as director remuneration. Staff employed at the Company or subsidiaries meeting the requirements shall be eligible for compensation, distributed in the form of stock or cash. Relevant requirements are outlined separately.

2. The Board adopted the below employee compensation and director remuneration proposal for 2021:

- (1) The Board proposed allocating the amount of NT\$455,764,447 as employee compensation and the amount of NT\$152,269,129 as remuneration for directors.
- (2) The amount of employee stock compensation and their proportion of overall earnings distribution: all employee compensation will be paid in cash.

	Distribution Approved by the Board
Distribution: (Unit: NT\$1,000)	
Employee Compensation	\$ 455,764
Director Remuneration	\$ 152,269

3. Distribution of the previous year's remuneration to employees and directors:

PCSC's distributable earnings in 2020 were distributed as employee compensation and director remuneration as follows:

	Distribution Approved by the Board and at the Shareholder's Meeting
Distribution: (Unit: NT\$1,000)	
Employee Compensation	\$ 543,617
Director Remuneration	\$ 181,620

4. The estimate of employees' compensation and directors' remuneration is made by calculating Company current year's profits (pre-tax profits prior to deduction of employee compensation and director remuneration) are deducted by accumulated deficit. In case of a discrepancy between the actual amount paid out and the estimate, it will be accounted for as changes in estimates and recognized as profit or loss in the following fiscal year.

5. In the 2020 financial statement, employee compensation totaled NT\$543,617,166, while remuneration for directors totaled NT\$181,620,380. These amounts are consistent with the amounts approved by the Shareholders' Meeting.

(9) Share buyback: None

2. Status of corporate bonds, preferred shares, GDR, employee stock option plans, employee restricted stock plans, and mergers, acquisitions, and spin-offs

(1) Issuance of corporate bonds: None

(2) Issuance of preferred shares: None

(3) Global depository receipts: None

(4) Employee stock option plan: None

(5) Employee restricted stock plan: None

(6) Issuance of new shares to merge with or acquire other companies: None

3. Status of capital utilization plan

(1) Capital projection:

Any incomplete share issuance or private placement or any completed share issuance or private placement over the past three years from which benefits have not yet been reported as of December 31, 2021: None

(2) Status of implementation:

Analysis of the purpose of each capital investment project as of December 31, 2021 and comparison of implementation with the originally anticipated benefits: None

5 Operating Highlights

1. Business activities

(1) Business scope

1. PCSC's Key Operations

- | | |
|--|---|
| <ul style="list-style-type: none"> (1) F203020 Alcohol and tobacco retailing (2) F206020 Daily necessities retailing (3) F203010 Food, groceries, and beverage retailing (4) F208040 Cosmetics retailing (5) F399990 Retailing other products (6) IZ01010 Photocopy services (7) F201070 Floral retailing (8) F209060 Educational, musical, and entertainment products retailing (9) JE01010 Leasing (10) IE01010 Distribution of telecommunications contracts (11) I401010 Advertising services (12) F207050 Fertilizer retailing (13) F210010 Watch and clock retailing (14) F210020 Eyeglass retailing (15) F216010 Photographic and film equipment retailing (16) JZ99030 Photography (17) F204110 Cloth, clothes, shoes, hats, umbrellas, and accessories retailing (18) A102060 Sales of staple foods (19) F213010 Electronic appliance retailing (20) F208031 Medical equipment retailing (21) F205040 Furniture, bedding, kitchenware, and decorative item retailing (22) F207030 Cleaning product retailing (23) F401010 International trade (24) JA01010 Automotive repair services (25) F214030 Automotive and motorcycle accessory retailing (26) G202010 Operation of parking lots (27) IZ14011 Public welfare lottery (28) JZ99050 Agency services (29) IZ99990 Other industry and commerce services not elsewhere classified (30) F401161 Importing of tobacco (31) F401171 Importing of alcohol | <ul style="list-style-type: none"> (32) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. (33) F301010 Department stores (34) F301020 Supermarkets (35) F399010 Convenience stores (36) F501030 Coffee/tea shops and bars (37) F501060 Restaurants (38) G902011 Type II telecommunications enterprise (39) I301010 Software design services (40) I301030 Digital information supply services (41) F206010 Retail sale of ironware (42) F212011 Gasoline stations (43) F212050 Retail sale of petrochemical fuel products (44) JA01990 Other automobile services (45) I101090 Food consultancy (46) IZ09010 Management system verification (47) J701020 Amusement parks (48) F102040 Wholesale of nonalcoholic beverages (49) F102170 Wholesale of food and grocery (50) F106020 Wholesale of articles for daily use (51) I103060 Management consulting services (52) J304010 Book publishers (53) J303010 Magazine and periodical publication (54) IZ12010 Manpower services (55) JA03010 Laundry services (56) F201010 Retail sale of agricultural products (57) F501990 Other food or beverage establishment not elsewhere classified (58) F208050 Retail sale of the second type patent medicine (59) F201061 Retail sale of Seedling (60) I301040 the third party payment (61) C104020 Bakery Food Manufacturing (62) H703100 Real Estate Rental and Leasing |
|--|---|

2. Revenues and their proportion of overall business over the past two years

Unit: NT\$1,000

Major Divisions	Revenue and proportion of overall business by division			
	2020		2021	
	Revenue	%	Revenue	%
Convenience stores	167,339,677	64.74%	166,789,975	63.48%
Retail Business	68,955,912	26.68%	73,116,782	27.83%
Logistics Business	2,116,524	0.82%	2,114,514	0.81%
Other Business Divisions	20,082,794	7.76%	20,714,193	7.88%
Total Consolidated Revenues	258,494,907	100.00%	262,735,464	100.00%

3. Present and future products and services

- O2O: In the face of the epidemic, 7-ELEVEN Taiwan has been actively developed digital platform and stabilizing operations with a Online-To-Offline integration strategy, integrating OPEN PONT membership program, mobile payment, Mobile ordering and pickup APP, iPre-order & iGroup-buying through the OPEN POINT APP, allowing consumers to shop online anytime, anywhere, and pick up at nearby stores.
PCSC continued to expand products on Mobile ordering and pickup function to enhance consumer convenience and frequency of store visits and we rolled out multiple online marketing strategies and point feedback promotions on iPre-order, breaking the restrictions on merchandise display and consumption time and showing the advantages of online-to-offline integration. The brand new intelligent group-buying platform “iGroup-buying” offers discounted group-buying prices for popular products, which has attracted millions members to join. OPEN Delivery is the first delivery platform to provide one-stop access to three major delivery platforms. 7-ELEVEN Taiwan continued to extend the products and services to every corner to meet the demands of consumers in all aspects.
- Membership: PCSC have continued to expand the OPEN POINT member ecosystem and integrated with 50 major livelihood brands to create the OPEN POINT one-day living circle, becoming a service platform that consumers rely on. The member activity has grown multiply and the number of members has exceeded more than 14 million through precise marketing of the member promotion strategy. We also used three major payment tools (icash 2.0, icash Pay, and OPEN Wallet) or member account to complete the payment, point accumulation, and discount process in one go to provide a smoother shopping experience.
- Stores:
 - (1) In 2021, 7-ELEVEN Taiwan actively expanded over 6,300 stores and launched various lifestyle modules, such as Cold Stone Ice Cream, Veggie Selection, and Semeur Bakery to meet the diversified needs of customers based on business district and lifestyle. The co-branded stores combine the most popular portraits, such as Sanrio Family, Pokémon, Case Closed, and Demon Slayer, to drive per store benefits and provide customers with a surprising shopping experience.
 - (2) In 2021, we opened the first Diverse Lifestyle Center, using the Group’s resources to integrate COSMED, Starbucks, Mister Donut, Books.com, as well as more than 10 other brands to provide new generation customers with quality lifestyle ideas.
 - (3) We opened X-STORE 5, integrating intelligence, co-branding and membership to build a new digital life economic circle, introducing a new shopping experience “iscan X ipay” for the first time. Personal smartphones become smart mobile shopping carts in seconds, optimizing the consumer journey experience and increasing the possibility of connecting with the metaverse.
- Products and services:
 - Fresh foods: 7-ELEVEN plays the role of “social kitchen”, providing high-quality products by stabilizing the supply chain. During the epidemic, we used the strategy of buying and eating nearby to take advantage of business opportunities and trends in cooking at home. In response to the trend of health and environmental protection, we continue to expand our private brand Veggie Selection to meet the diversified dietary needs of customers.
 - Co-branded: We have launched two special zones “Star Feast” and “Famous Hot Pot Festival” to take advantage of the co-branding opportunity. We provide Michelin-starred cuisine and cooperate with starred hotels/restaurants, such as the Regent and Sheraton Grand Taipei Hotel – The Guest House, so customers can enjoy delicious food at 7-ELEVENs nearby. The company launched a new “Famous Hot Pot Festival” to take advantage of the business opportunity of not being able to go out to eat hot pot during the epidemic and has collected more than 70 well-known restaurants online and offline to continue to enhance the customers experience of the value of fresh food products.
 - Coffee: In CITY CAFE, we are actively cultivating the premium coffee market, building a second growth curve, and grasping the digital trend by Mobile ordering and pickup APP that allows members to buy now, pick up later. This year, we introduced a subscription system and precision marketing to promote redemption rate and cultivate member loyalty. We continue to introduce out-of-store services, such as intelligent coffee machines and delivery services, to generate additional sales.
 - E-Service: We have taken advantage of our intense network of stores and comprehensive logistics system to establish a unique storefront shipping and pickup service worldwide. By strengthening the self-operated platform “Myship” and expanding diversified delivery services, including quick collection service, international delivery service, and Cold-chain in-store pickup service, we expect to have the second growth curve to drive future growth momentum.

(2) General economic and industry overview

1. General economic analysis

The global economy grew at a rate of 4.3% in 2021, driven by a gradual recovery in consumer demand and global industrial production. Taiwan exports grew steadily mainly due to private investment, the significant expansion of production capacity in Taiwan for semiconductors and information and communications products, emerging applications such as 5G and cloud computing, and business opportunities for epidemic prevention, resulting in an 11-year high of 6.45% GDP growth in 2021, up 3.34 percentage points from 2020. Total exports reached US\$446.5 billion, an annual increase of 29.4%.

On the price side, impacted by international oil prices and raw material price hike, the industry has reflected the cost and increased prices after the epidemic has subsided. The consumer price index increased at an annual rate of 1.96% for the year, including a 4.23% increase in foods, due to a 21.61% increase in the price of fruits due to weather conditions, as well as an increase in eggs (up 11.75%), meat (up 5.49%), vegetables (up 3.36%) and a 2.39% increase in the cost of eating out. In addition, the wholesale sales index in 2021 grew by 9.42%, also hitting a new high in 41 years.

2. Industry overview

Retail business turnover in 2021 were NT\$3,985.5 billion, an increase of 3.3% over the same period last year. Turnover of overall retail sales of goods reached NT\$1,302.6 billion in 2021, up 0.8% from 2020. Despite the impact of the epidemic, the convenience store industry still ranked first in turnover with NT\$361.4 billion, up 0.1%, followed by department store turnover of NT\$342.6 billion, down 3.2% due to the epidemic, supermarket turnover of NT\$248.2 billion, up 8.0% from 2020, and hyper market turnover of NT\$243.9 billion, up 6.6% from 2020. PCSC will continue to evolve, provide more differentiated products, and strengthen the operation of the shopping surroundings to become a local community service center and actively lay out a digital platform to demonstrate the advantages of online-to-offline integration to meet consumer needs in real time and build a service platform that consumers rely on.

Through the end of 2021, key players in the convenience store industry had the below numbers of stores:

	7-ELEVEN	FamilyMart	Hi-Life	OK	Total
No. of Stores	6,379	3,980	1,500	761	12,620

3. Vertical supply chain

Based on "focused operations, traceability, and winning consumer trust", PCSC's food safety policies have as their top priority safety and quality. We have established a Product Safety Committee that has set up a systematic management system for PCSC's own products. It meets regularly each year to discuss such topics as government regulations, OEM and supplier evaluations and deficiencies, product safety information as well as product safety monitoring programs and their implementation status to ensure that the products on our shelves are safe. To enhance the quality control of our own products, we worked with Taiwan Delica Foods to set up a management database to trace and manage materials and suppliers. In addition, as the first retailer to have an internationally certified quality assurance lab in Taiwan that meets ISO17025 standards as well as accreditation from both the TFDA (Taiwan Food and Drug Administration) and TAF (Taiwan Accreditation Foundation), PCSC continues to expand our testing capabilities to provide customers with safer, more convenient, and more delicious food products. In our franchise operations, we will expand individual store autonomy and individual product management to ensure sales growth in our stores. Operating efficiency of stores has increased through system optimization and the introduction of labor-saving equipment. PCSC continues to improve our franchise system, resulting in year over year increases in franchisee compensation and the proportion of franchise outlets. PCSC continues to build a happy Company, to positively impact society, and to work towards environmental sustainability. By valuing our partners, expanding store locations, and developing innovative products and services, we are creating a virtuous circle that benefits both business and our community.

4. Product development trends and competitiveness

(1) Product development trends

Despite the uncertainties, we face the epidemic with a serious attitude. In addition to providing sufficient supplies for epidemic prevention in our stores, we have created a safe shopping and work environment. PCSC also makes good use of digital tools to enhance the operational efficiency of stores and through iGroup-buying, OPEN delivery, and intelligent vending machines, helping stores to operate business opportunities outside of the store to improve franchisee performance and profitability. We also continue to innovate and integrate to strengthen our brand management and take advantage of market trends and opportunities, while enhancing the product structure of our stores to meet customers lifestyle needs through our diverse lifestyle center and lifestyle stores.

- Digital operations: In response to the trend of no-contact business opportunities driven by the epidemic, we have continued to strengthen our digital management and provide digital tools for stores to enhance sales, such as Mobile ordering and pickup and iGroup-buying, which break the time and space constraints and allow customers to make purchases any time, thus enhancing store management efficiency.
- Membership economy: We continue to optimize the OPEN POINT membership program and points mechanism, expand the channels' access to points, and build the OPEN POINT points ecosystem. We utilize group's power to provide exclusive discount programs to enhance the value and sense of honor of members and strengthen their loyalty.

- **Mobile Payment:** In order to provide a more time-saving, convenient and diversified mobile payment experience for members, we actively promote OPEN POINT to bundle multiple mobile payments, which can be bundled and used through OPEN POINT APP, making it convenient for customers to complete payment, accumulate points and deposit invoices at checkout in one go.
- **Diversified Myship / delivery service:** The Company has launched Quick Collection Service to meet the growth trend of small online sellers on the market, providing customers with a large number of shipping needs with in-home collection services to enhance convenience and reduce store operations. We are also aware of international logistics trends and our international deliveries are linked to cross-border store pick-up services. In order to meet the needs of consumers who want to pick up their frozen online purchases near them, we have introduced cold chain store pickup service and will continue to expand our services to meet future consumer trends.
- **Differentiated products:** In response to the impact of the epidemic and restrictions on going abroad, PCSC continues to introduce foreign products through international procurement, strengthening product structure and brand positioning, and strategically collaborating with major manufacturers at home and abroad to develop and introduce exclusive products aimed at what customers want and that are appealing in terms of “value, style, and design”, creating a structure characterized by more differentiated products and distinctiveness.
- **Epidemic prevention business opportunities:** In response to the impact of the 2021 epidemic and the uncertainty of the future epidemic, in addition to cooperating with the government’s epidemic prevention program to pre-purchase masks by name, we launched epidemic prevention-related products and provided sufficient epidemic prevention supplies for our stores to create a shopping environment that gave customers to shop and store partners to work with peace of mind.

(2) product competitiveness

With the gradual blurring of the demarcation between convenience store and supermarket operations, the extension of virtual shelves with e-commerce platforms, such as iPre-order, allows stores to operate online and offline simultaneously without increasing manpower, creating a virtual-real integrated business model and expanding per store operational efficiency. At the same time, with the demographic and lifestyle changes, such as aging population, fewer children, singles, and marrying later, consumers’ diets and consumption habits have changed, so that the take-out food market has potential to grow and become competitive. Through the integration of delivery platforms, we expand our store operations from in-store to out-store and redistribute delivery market opportunities.

- **Dining-out and food delivery business opportunities:** Staying abreast of future consumption trends, PCSC has enhanced our ready to cook frozen food products that customers can conveniently heat up before eating and expanded the frozen products display space in the store, as well as continued to develop safe and delicious diversified ingredients and dishes, providing fast, convenient, and safe choices for diners. In addition, by cooperating with delivery platforms, PCSC has increased sales opportunities in stores and expanding our store operations from in-store to out-store in local business districts, while providing customers with fast, convenient, and safe choices.
- **Meal Business Opportunities:** 7-ELEVEN offers more than 20 breakfast options, and together with Michelin Bib Gourmand -preferred breakfast restaurants, customers can enjoy popular breakfast items anytime, 24 hours a day. We also offer a variety of co-branded fresh food items that allow customers to enjoy five-star hotel cuisine at the convenience store nearby.
- **Fresh Food Equipment Optimization:** In order to provide customers with a better service experience, we are committed to creating safe and delicious fresh food products, and we invest annually to build an advanced version of fresh food equipment and change how we display our products. The “Automatic Freshly-made Panini Machine” was also introduced to meet the characteristics of the single store. Both the staff and customers can easily operate the machine and make a super delicious hot pressed Panini in 3 minutes.
- **Pet Business Opportunity:** We have taken advantage the trend for pet companionship driven by the single and childless generation, setting up a pet product selection made available in stores depending on the needs of the business district, focusing on the four major structures of supplies, snacks, canned food, and dry food to target the demand for pet products nearby.

(3) Technology and R&D

PCSC continues to integrate a variety of innovative products and services to meet the needs of consumers and to compete with differing modes of competition:

1. **Mobile ordering and pickup function:** We continue to introduce more items so that consumers can purchase coffee, fresh food, and beverages using the Mobile ordering and pickup function. We also optimize the consumer experience and improve the system interface, adding functions such as redemption baskets and rewards to make it more convenient for consumers and enhance customer loyalty by using the APP.
2. **iPre-order:** We have innovated the product structure and optimized the system to make the purchase process adhere closer to consumer habits and provide a more complete product structure to meet consumer needs.
3. **iGroup-buying:** The first “iGroup-buying” group-buying platform allows consumers to easily join group-buying groups in stores, get the latest group-buying information in real time, and integrate the process of placing orders, making payments, accumulating points, and saving invoices. It also improves the inconvenience of the

store manager's previous use of communication software to promote products that require manual recording. The digital management of orders has improved sales and saved the manpower.

4. OPEN delivery: We have integrated the paths of various delivery platforms and created the first "OPEN delivery" on the home page of OPEN POINT APP. OPEN POINT members can navigate from a single junction to various delivery platforms, thereby expanding our operational benefits.
 5. X-STORE 5: In response to aging population and labor shortage, the Just Walk Out concept is an innovative self-checkout model that shortens customer queuing time and saves labor hours, creating a new consumer experience.
 6. Intelligent vending machines/intelligent coffee machines: The Company is committed to creating a second growth curve in store sales by applying innovative concepts in technology, such as unmanned stores and automation, operating as a "mother-son store" and serving as a satellite service station for 6,300 stores. Our intelligent vending machines and intelligent coffee machines are located in major commercial offices, technology factories, government agencies, and even remote towns to serve consumers in areas where shopping is not convenient. Our intelligent coffee machines are stationed in corporate pantries and can make a cup of CITY CAFE in 35 seconds. 7-ELEVEN has been actively laying out its smart retailing map, using innovative technology to become a service platform that consumers can rely on.
 7. Map of i-Love food: The map of i-Love food instantly shows the inventory status of food items that are about to expire in all of our stores, making it easy for consumers to find them quickly, further reducing the waste of leftover food in our stores, and continuing to work towards the goal of reducing leftover food by half.
 8. In 2021, a total of NT\$182,173,000 was spent on R&D and system upgrades.
- (4) Short and long-term operating strategies
1. Short-term operating strategies
 - (1) Continue to integrate stores into existing shopping districts and establish a competitive niche with large format stores.
 - (2) Expand store autonomy to create advantages through differentiation.
 - (3) Further integrate virtual and brick and mortar operations to create more virtual service opportunities.
 - (4) Optimize our operational foundation to provide the strength for mid to long-term development.
 2. Long-term business development plan
 - (1) Optimize the franchise model to create a win-win situation for both PCSC and franchisees.
 - (2) Implement value marketing and enhance the consumer experience.
 - (3) Implement "lean operations" to use resources to their fullest.
 - (4) Integrate the Group's resources and seek stable profits growth.
 - (5) Actively nurture talent to ensure sustainable development.

2. Market analysis and merchandising

(1) Market analysis

1. Main product (service) sales areas:

PCSC keeps on top of new consumer trends and develops high value products and innovative services to meet customers' evolving needs. Our goal is to become "a dependent service platform that surpasses customer expectations". No matter where you may be, our mission is to provide a wide variety of high quality, trustworthy products and services with a smile.

2. Future market supply and demand and potential growth:

As of the end of 2021, PCSC held a 50.55% share of the convenience store market in terms of store locations, which made us the top brand in the minds of consumers. We have continued to strengthen the operational capacity of individual stores offline and actively developed online platforms and consumption models to best drive growth through efficiency. As boundaries blur in the retail industry and with the uncertainty of the epidemic, operations will inevitably face more difficult challenges, but as long as we can become a dependent service platform that convenience store customers expect, there is still great potential in the Taiwanese convenience store sector.

3. Competitive niche:

The convenience store industry in Taiwan is highly competitive. However, by capitalizing on our advantages and rapidly evolving to meet needs, we can stay at the head of the pack. PCSC's major competitive advantages are:

- (1) Positive corporate image and good brand reputation.
- (2) The capability to rapidly develop new products (services) to meet customers' changing needs and use integrated marketing techniques to promote them.
- (3) The scale of channel favorable to successful product research, development, and sales.
- (4) A comprehensive logistics support system and an ever more seamless supply chain.
- (5) Strong IT platform and infrastructure with high potential for further development to meet the needs of consumers and effectively create new business opportunities.
- (6) First-rate franchise model.
- (7) The Group has significant resources that can be integrated and shared between members.

4. Positive and negative factors for future growth and strategic responses:

(1) Positive factors:

- The market for dining-out continues to grow with increasing demand for natural, organic food and beverage options.
- Taiwan's society is aging, while more people are having fewer children and living alone, so there are growing business opportunities from seniors, singles, and small families.
- With the rapid development of a variety of smart mobile devices, online shopping, and social network platforms, information has become highly transparent. Shoppers are seeking out entertaining, timely, and mobile shopping experiences.
- As cross-border internet transactions increase, greater opportunities will arise for business and logistics.

(2) Negative factors:

- Faced with uncertainties about the global epidemic, international supply chain have been instable.
- The convenience store market is becoming saturated, while small-scale supermarkets have sprung up, blurring the line between the two and resulting in increasingly fierce competition both in the virtual and brick and mortar space.
- The decline in the labor population and rising personnel costs will increase overall operating costs.

(3) Strategic responses:

In the face of the epidemic and the fast-changing consumer market and emerging consumer trends, PCSC has integrated the group's resources in response to the characteristics and needs of shopping districts, and introduced differentiated products and services through diverse lifestyle center and lifestyle store models to enhance the store operation, and becoming a local community service center to widen the competitive gap. In terms of customized ready-to-eat food needs, we provide safe, delicious and diverse fresh food products through strict food safety control. Through services, such as intelligent vending machine, iPre-order, and iGroup-buying, the stores are able to operate outside the stores and stay on top of consumer needs. In terms of digital services, through the use of OPEN POINT APP, PCSC has integrated members and services, such as Mobile ordering and pickup function, to make it more convenient for consumers to purchase and redeem coffee and fresh food and to increase customer loyalty. We have also entered the high-end segment of the premium coffee business and become the first choice for a more convenient life. We continue to innovate and integrate to provide services and products that exceed consumer expectations, enhance our brand management, and continue to be a service platform that consumers rely on.

(2) Key purpose of major products and the production process

1. Key purpose: Provide consumers with products and innovative services to meet their needs.
2. Production process: None.

(3) Supply of raw materials: None.

(4) Information on major clients/suppliers who have accounted for at least 10% of sales/procurement in either of the past two years:

1. List of customers that have accounted for at least 10% of sales over the past two years: PCSC is a retailer of daily life merchandise. Our customers are the general public.
2. List of suppliers that have accounted for at least 10% of procurement over the past two years: None.

(5) Production over the past two years: None.

(6) Sales over the past two years:

Unit: NT\$1,000

Major Divisions	2020	2021
	Domestic Sales	Domestic Sales
Convenience Stores	167,339,677	166,789,975
Retail Business	68,955,912	73,116,782
Logistics Business	2,116,524	2,114,514
Other Business Divisions	20,082,794	20,714,193
Total Consolidated Revenues	258,494,907	262,735,464

Note: All products are sold domestically; all sales figures are expressed as sales value.

3. Human Resources:

Year		2020	2021	As of February 28, 2022
No. of Employees	Store Employees	17,279	17,133	17,138
	Management	7,048	7,348	7,525
	Part-Time	14,256	13,930	14,017
	Total	38,583	38,411	38,680
Average Age		33.4-years old	34.2-years old	34.2-years old
Average Years of Service		6.4 years	6.9 years	6.9 years
Education Level (as a % of the total)	PhD	0.01%	0.01%	0.01%
	Masters Degree	4.13%	4.25%	4.19%
	Bachelors Degree	56.97%	57.61%	57.43%
	High School	36.51%	35.69%	35.87%
	Junior High School or Below	2.38%	2.43%	2.50%

Note: The information above includes PCSC and its subsidiaries.

4. Environmental protection expenditures

(1) Environment-related expenditures:

PCSC is committed to fulfilling our corporate social responsibility (CSR) and providing customers with safe, convenient products and innovative services. We are also working to reduce energy consumption and carbon emissions. Through the promotion of green procurement, PCSC purchases equipment and consumables that have obtained environmental protection and energy saving marks or have actual environmental protection benefits for use in stores and chooses green building materials for store decorations. While maintaining smooth operation and service quality, PCSC also reduces consumption of natural resources and negative environmental impact. Our green procurement items and adopted environmental labels, and certifications are listed below. Total green procurement in 2021 reached NT\$898 million, accounting for 8.54% of the total annual procurement and exceeded the original annual procurement target.

Unit: NT\$1000

Green Procurement Category		Item	Amount
Energy Star	Meets energy efficiency requirements of EPA's Energy Star	Screens	91,129
FSC Forest Stewardship Council Certification	Verifies that the entire wood product manufacturing process meets FSC sustainable management requirements	OURS publications, stir sticks, royal bento disposable chopsticks (100 pcs), iselect beverage packaging.	12,098
Carbon Label	Displays the greenhouse gas emissions during product life cycle	Paper star copy paper	4,733
RoHS	Verifies that motors and electronic products comply with EU regulations on the use of hazardous ingredients	Uninterruptible power system, coffee machines, ST, switches,WAP, Intelligent Vending Machine, POS cash registers/back office computers	337,246
Green Mark	Type 1 Green Mark- laser printers Green Mark- Biodegradable Plastic Products - PLA	Laser printers, PLA-Coffee Cups, ice cream cups/Slurpee cups, PLA straws, paper straws	137,077
Energy-saving Mark	Air Conditioner Performance Mark-Air Conditioning Seasonal Energy Factor (CSPF) reaches level 1	Inverter air conditioner, circulation fans, LED lights	152,973
Green Building Materials Mark	Obtained the green building materials label from the Taiwan Construction Center or adopts environmentally friendly patented construction methods	Green Building Materials	76,847
Has actual environmental benefits	Plastic substitutes	Pick-up card (replace plastic card with paper card), plastic bag (reuse material)	16,847
	Customized equipment is self-tested by PCSC and has actual energy saving benefits	Energy saving device	68,776
Total amount of green procurement			897,726

(2) In 2021 and up to the printing of this annual report, there is no fine or loss due to environmental pollution.

- (3) In 2021 and up to the printing of this annual report, competent authorities fined some stores NT\$30,000 for violating the Act Governing Food Safety and Sanitation. PCSC has already required improvements in all stores and has strengthened education regarding relevant regulations.
- (4) Information regarding EU Restriction of Hazardous Substances (RoHS) Directive: The Company and its subsidiaries do not sell directly or indirectly to Europe, and therefore is not subject to RoHS.

5. Labor-management relations

(1) Employee benefits

1. Integration of the group's HR system and resources

PCSC and its affiliates jointly review, revise, and integrate their HR systems to build a robust talent pool and career planning systems for the group. The result is an environment that facilitates a fair and reasonable development of inhouse talents.

2. Comprehensive employee benefits:

(1) In accordance with the Official Letter Taipei City Social II No. 58459 of the Department of Social Welfare, PCSC established the Employee Benefit Committee on December 21, 1987. Members of the Committee are jointly elected by both the enterprise union and the Company. The Committee regularly hosts a variety of activities, organizes health check-ups for employees, and provides other benefits, such as subsidies for in-service education program.

(2) The PCSC benefit scheme includes, health examinations, employee stock ownership plans, club subsidies, library centers, discount purchasing, wedding and funeral allowances, paid maternity and paternity leave, group insurance, employee travel allowance, and other benefits provided by Employee Benefits Committee to meet employee needs. In addition, to take care of employees, PCSC also assists employees' families, sets up nursing rooms in the office, and contracts with childcare institutions to provide preferential prices to reduce the burden of childcare on employees.

(3) To assist employees to effectively and efficiently manage sources of stress from work, home life, and health as well as to bolster physical and emotional health, and encourage positive interpersonal relationships, PCSC organizes employee relationship promotion activities throughout the year to not only relieve the physical and mental pressure of partners, but also to enhance the establishment of the relationship between the organization and employees. In addition, the Company commissioned the Teacher Chang Foundation, starting in 2009, to provide three hours of free counselling services each year for employees.

(4) In 2010, the Company decided to become more proactive in our care for employees, establishing the "Happy Cooperative" in May of that year. In 2021, the program assisted employees in a total of 3,775 cases and 2,844 caring hours.

(5) Due to the special circumstances of the COVID-19 epidemic since 2020, in order to maintain workplace health and implement epidemic prevention, we assisted colleagues to cope with the following:

- PCSC has specially formulated the Implementation Measures for Colleagues Working from Home and supporting measures for attendance, allowing logistics colleagues to work remotely from home. In May 2020, the guidelines for the work of colleagues outside the office were also set, and the system began to include working outside the office (home).
- The Company started work diversion, and logistics colleagues could also flexibly choose time to go to and from get off work to avoid rush hour and reduce risks. In addition to the original four flexible working hours from 07:30 to 09:00, a new 9:30-18:30 shift schedule was added to allow employees to adjust their times to meet family needs and achieve a work-life balance.
- Compensation for cancellation of travel itinerary was provided to colleagues who had already planned to go abroad. If the overseas itinerary had been confirmed and related expenses had been paid, and the private overseas itinerary had been cancelled and related losses had been compensated, compensation was given.
- In response to the escalation of the epidemic, giving priority to employees has been important. In response to possible future conditions, the Company has prepared each employee a box of "home epidemic prevention items" and carefully arranges direct delivery when needed, so that employees can have peace of mind in their homes.
- The company provided free anti-epidemic insurance for each employee. If a person who is diagnosed or has contact with a confirmed person is notified to be quarantined, each can apply for a compensation of 100,000 dollars. In addition, when a colleague is diagnosed with the diagnosis, in addition to caring and condolences, one-time caring and condolence payment of \$32,000 will be issued, and an additional \$1,000 per day if hospitalized.

(6) The Company established "Operational Procedures of Employees Assistance in Severe Accidents", encouraging supervisors to offer employees timely concern on behalf of the Company and to take the initiative to offer them paid leave for convalescence and financial help to take care of them in the event of serious accidents.

(7) PCSC provides its employees with competitive salaries and wages and ensures that base pay is greater than the national standard for each year through salary and benefit surveys. In addition, men and women in the same position are given the same base pay to promote equality. Salary and benefits do not differ according to gender or age.

3. Providing entrepreneurial opportunities: PCSC provides an incentive program to encourage employees to become franchisees, so that they can grow and develop with the Company.

4. Safe and friendly workplace:

Received international certification for the TAF ISO45001 Occupational Health and Safety Management Systems, which is valid until 2025/1/2. To realize health and safety, the Company has taken the following steps:

(1) Establishment of a health and safety organization: The Worker Safety Office holds Health and Safety Committee meetings each quarter and Management Review Meetings each year and encourages contractors to hold safety agreement organization meetings.

(2) Sanitation and safety training and drills: Both new and existing employees participate in safety and health education and training, and we hold occupational safety online courses, "Traffic Safety Promotion (defensive driving)", "Office Ergonomic Hazards Prevention", to enhance employees understanding of traffic safety and musculoskeletal hazards prevention.

- License training (Level C/First Aid): 159 sessions/4,374 individuals engaged.
- "Traffic Safety Promotion (defensive driving)": 19,493 individuals engaged.
- "Office Ergonomic Hazards Prevention": 1,989 individuals engaged.

(3) Implement risk assessments and safety audits:

- Contractor management: Through on-site safety observation and safety counseling with construction personnel, a total of 74 risk contractors were promoted, with a total of 415 individuals engaged.
- Risk and danger identification: In 2021, we held audits in various locations with 373 corrective actions taken in 211 locations in which 39 actions found zero missing. Improvements were suggested and implemented for 100% improvement.
- Guiding fresh food factory: Implemented supply chain management, coached 12 fresh food factories to establish occupational safety systems, promoted 8 fresh food factories to introduce ISO45001 certification, and handled 1 online occupational safety training course.
- Testing indoor air quality to ensure that CO2 emissions were below 1000 ppm and that the illuminance and the quality of the drinking water were above standard.

(4) Healthcare: When employees first report for work, they are signed up for group accident insurance, life insurance, medical insurance, and we provide subsidies for physical examination. PCSC also hired specialized nurse practitioners and doctors from NTU Hospital to provide health counseling services. PCSC further employs health education campaigns, such as the Healthy Life Circle app, e-newsletters, and lectures, to encourage employees to manage their personal health.

(5) Event safety controls: Affected by the epidemic, in line with the Company's epidemic prevention policy, we stopped handling large-scale events to avoid the risk of infection by company employees and people participating in the event.

(6) Promoting employee health exams: Strengthen personal health management and illnesses prevention through regular health checks.

- Senior employee in-depth health exams: Provide full-time employees 35-years old or older with at least 5 years of service with NT\$16,000 subsidy every two years for in-depth health exams. In 2021, a total of 2,192 employees could apply for such assistance.
- Annual health exams: We provide employees and food industry workers with annual health exams. Affected by the epidemic in 2021, only the food industry workers would be inspected. For general employees who meet the age limit, the health exams would be arranged individually. 4,631 people had health exams and 93% participation rate.

(7) Implementing employee health management: Employing doctors and nurses to proactively provide employees with individual health care and consultations.

- Doctors: In 2013, PCSC began asking doctors to provide health services to employees (once every two months). By 2019, this was increased to 16 times per month (3 hours each time). In 2021, doctor services totaling 576 hours over the entire year, providing one on one health services 753 times with an employee satisfaction score of 4.92.
- Nurses: A team of four nurses was hired to provide employee healthcare. In 2021, the team provided treatment 133 times. In addition, PCSC introduced a comprehensive health management system to provide employees who received abnormal exam results with tiered health management. Extremely high risk employees have been under 100% intervention management, follow up treatment tracking, and individual case follow up management.

(8) Promoting occupational disease prevention and health protections for specific groups: Establishing maternal health protection for female workers and prevention mechanisms for ergonomic hazards, workplace violence, and fatigue. In 2021, a total of 111 cases had been resolved.

- (9) Workplace emergency preparedness: Automated external defibrillators (AED) are installed according to office size and number of employees and regular training is held. In 2019, PCSC received the Ministry of Health and Welfare's AED Workplace Certification for the third year in a row.
- (10) Implementing health promotion activities: Encouraging employee self-health management to improve health outcomes through group activities.
- Our health promotion campaign has incorporated an innovative and revolutionary app that features a Healthy Living Community for employees, encouraging all employees to maintain the healthy practice of exercising. In 2021, four special activities, including the New Year Epidemic Prevention and Exercise Together, Food Planet, Mid Autumn Festival, Ghosts Touring Taiwan, were held (each lasted for one month) with 5,338 participants. A total 19,700 kilocalories was burning off with a total of about 2,559 kg.
 - COVID vaccination: The coverage rate of the first dose of service employees was 96%, and the coverage rate of the second dose of all employees was 77%. The annual COVID-19 vaccination project in Taipei, New Taipei, Keelung and Taoyuan City was assisted to complete 15,988 individuals.
 - Influenza vaccination campaign: A total of 177 people received vaccinations.
- (11) Health certifications and healthy workplace competitions:
- Received the three year Lequn Health Award from the Ministry of Health and Welfare's Health Promotion Administration Outstanding Healthy Workplace Awards in 2019. Certification is valid from 2019 to 2021.

(2) Training and development

1. PCSC's training statistics for 2021 are as follows:

Internal Training				External Training			Online Training			Total		
Training Sessions	Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs	Number of Trainees	Hours of Training	Training Costs
1,197	9,562	48,795	NT\$14.469 million	308	3,347	NT\$0.725 million	284,265	55,209	NT\$3.036 million	294,135	107,351	NT\$18.23 million

2. In accordance with the Group's core values, PCSC issued "General Skills Needed by Logistics Personnel and Standards for Training Courses" covering training programs developed by PCSC for various positions within the organization to build employee skills and standards.
3. We also issued "Training Management Guidance" to serve as guidelines for training activities. Based on their individual needs, employees can take internal or external training classes or different departments can organize their own training. In addition, they can draw up a "Personal Development Plan" with their immediate superiors based on their education, experience, work requirements, performance evaluation results, and career development needs to map out the training sequence most suitable for them. Giving employees a goal and a plan encourages disciplined learning and growth to ultimately enrich professional knowledge and skills.
4. For some key identified talents, PCSC has mapped out a program of training and development that includes courses, mobile learning, and personal development plans as well as attending regular meetings to let high-level managers know how well they are doing in their studies and what they have accomplished to help them reach their ideal position within the Company.
5. Potential external training courses are vetted through a rigorous screening process to ensure that all offerings are up to our exacting standards. Depending on the nature of the course and the participants, each class employs unique educational activities. In addition, utilizing the latest technologies, PCSC has built a digital learning platform for online courses to provide a more effective way to attain a competitive edge.
6. Continuing education: At PCSC, employees can take charge of their own learning through the many diverse training channels available, which include guidance by supervisors and peers, knowledge management system, internal and external training programs, lectures and seminars, online learning, and on-the-job training. PCSC also encourages employees to pursue self-enrichment in their spare time to shore up their foundation and professional knowledge through scholarships for outside training and language courses.
7. An internal system for training lecturers that uses Company resources to cultivate enthusiasm and a willingness to share with our partners and train to be specialized internal lecturers to transform our Company into an organization that emphasizes learning and sharing. Just before Teachers' Day, the Company recognizes and expresses appreciation to individuals who have lectured internally to help create within them a sense of value and mission.
8. Career development:
- (1) Multi-channel career development opportunities: PCSC has spared no effort in employee training and personal development and we fully support employees' quest for knowledge and enhanced work skills. Through training programs, providing equipment, online resources, and a mentoring system, the Company helps employees map out their career development plan and provides a diverse range of opportunities for personal growth.
- (2) Job rotation: We encourage our employees to try new things and to learn by working in various departments, different companies, or even various areas to broaden their horizons and increase competence in a range of skills.

(3) Retirement plan**1. Old system under the Labor Standards Act**

On Oct 16, 2020, PCSC modified its employee retirement program, applicable to all existing employees. As stipulated by law, the program calculates an employee's years of service starting with his or her hiring date. Employees who have worked for the Company for less than 15 years (inclusive) shall be granted two basic units for each full year of service. From the 16th year onward, each full year of service shall be translated into one basic unit in the calculation of pensions. Any service period that is less than six months shall be calculated as half a year; while any service period that is between six months and twelve months shall be calculated as one full year. The number of basic units in the calculation of pensions is capped at 45. Pensions are calculated on the basis of years of service and the average monthly salary at the time of retirement. Calculation of average salaries shall be made in compliance with the Labor Standard Act.

2. Service year calculations under the old system for transferred employees:

- Service years for transferred employees include the number of years they served in every PCSC affiliate and/or members of the Uni-President Group.
- The sharing of pensions among affiliates is based on the percentage of the years of service spread over the affiliates that the employee has served.

3. New system under the Labor Pension Act:

Beginning on July 1, 2005, in accordance with the Labor Pension Act, PCSC implemented a new system that is applicable to all employees. Existing employees could opt for the old system under the Labor Standard Act as stated in (1) or the new system under the Labor Pension Act. As stipulated in the Labor Pension Act, the monthly contribution is made based on the Monthly Contribution Wages Classification, which currently amounts to 6% of employee monthly income transferred to a personal retirement account with Bureau of Labor Insurance.

(4) Labor-management relations**1. Open communication channels**

PCSC established an internal communication platform which sends out important messages directly to employees. To encourage direct communication between employees and managers, in addition to providing an Integrated Services Center, e-mailbox, and a dedicated stakeholder section of our website that allows employees to get timely answers to their questions, the Company set up an internal suggestion system, which allows employees to offer opinions and suggestions about Company operations directly to management in real time.

2. Employee code of conduct

PCSC has written an employee handbook and regulations regarding incentives and rewards and has also set up a committee to implement related affairs. Furthermore, the Company has established an employee code of conduct to spell out specific regulations governing employee behavior. The code of conduct includes the below requirements:

- (1) Employees may not embezzle Company funds for personal purposes, engage in unscrupulous behaviors for profit, participate in illegal acts, violate any contracts, damage public property, or otherwise jeopardize the Company's reputation.
- (2) Employees shall not abuse any other individual, affect other individual's work performance or threaten to exchange the establishment of service contracts, compensations, performance reviews, promotions/demotions, rewards/disciplinary actions with any language or actions that contain sexual requests, that are sexually suggestive, or discriminate on the basis of sex.
- (3) Employees shall not give gifts to managers or treat managers for meals; however, managers may give gifts to subordinates and treat subordinates for meals as a token of gratitude for their hard work.
- (4) Employees shall not be engaged in any unofficial monetary transactions with any business-related vendors or individuals.
- (5) Employees shall not receive any benefits from business-related vendors or individuals.
- (6) Employees shall not make any publications, statements, or displays in the name of the Company without permission from the Company.
- (7) Employees should maintain complete confidentiality in all business activities for which they are responsible and shall never, under any circumstance, assist anyone with interests at odds with those of PCSC or reveal trade secrets to competing enterprises or individuals.
- (8) Employee attendance and behavior shall comply with regulations set forth by HR.

3. Labor-management negotiations:

PCSC has always considered our employees as the most important asset. The Company works to align our vision for the future with the development goals of employees. PCSC also holds regular labor-management meetings as required by law. Therefore, the interaction between PCSC and its employees has been very positive and harmonious over the years.

4. Losses due to labor disputes:

- (1) PCSC provides employees with a comprehensive benefit system, quality working environment, and open communications channels. Therefore, no major labor disputes have occurred and no significant losses have been reported.
- (2) Violations of the Labor Standards Act in the last year up until the printing of this annual report: None
- (3) Current and future amount of money that might have to be paid: None

6. Information security management

(1) Explain the information security risk management framework, information security policy, specific management plan and the resources invested in the information security management, etc.

1. With the rapid changes in technology, information security risks are mostly generated through the network environment and employee behavior, such as hacker attacks, network traffic attacks, software (ransom) viruses, phishing, spam, software updates, and privilege control. The impact on the Company may include theft or manipulation of internal information, loss of accounts, disruption of daily operations, and damage to the Company's image.
2. PCSC's board of directors set up the "Risk and Information Security Management Office" in July 2020 to coordinate the management of various types of company risks, formulate risk management policies and management scope, plan future operations, and strengthen information security management.
3. The Company has drawn up internal information safety management regulations and regularly conducts inspections to ensure that they are being implemented, performs regular system information safety testing, utilizes information safety equipment, such as firewalls, to review user behavior, enhance anti-virus mechanisms and encryption mechanisms.
4. Our personal data protection measures have received TPIPAS certification and are tested and evaluated regularly by a third party and employees receive regular training to enhance information safety awareness. Information security risk management matters are also regularly reported to the Board through the Ethical Operations Team.
5. Estimated capital cost in 2022 was approximately \$37.74 million, consisting of:

Behavior Category	Types of Security Protection	Average annual amount (NT\$m /year)
Website Protection	Firewall/IDP, APFW, SSL Certificate, etc.	17.62
Access Management	Recording Platform, VPN, System Log Saving, etc.	7.13
Security detection	Information Security Testing, Host IDS, IDC Hosting Anti-Virus, Office security protection, etc.	12.99

(2) The Company shall list losses, possible impacts, and responses to major information and communications security incidents in the most recent year and up to the date of printing of the annual report, and, in the event that it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

7. Important Contracts

February 28, 2022

Contract Type	Contracting Party	Term of Agreement	Summary	Clauses
Regional licensing agreement	7-ELEVEN, INC.	2000.07.20 ~ Perpetuity	1. During the term of the agreement, PCSC is authorized by 7-ELEVEN Inc. to exclusively operate its convenience store chain business in the R.O.C. and has the right to use the 7-ELEVEN franchise system, logos, products, and services. 2. PCSC is required to pay royalties to 7-ELEVEN Inc. each month.	PCSC is obliged to make its best effort to manage and expand the convenience store business within the R.O.C. PCSC is not permitted to operate its convenience store business outside the R.O.C. without prior approval or to operate a convenience store business for one year following the termination of the contract in any country in which 7-ELEVEN, Inc. has registered a trademark.
Long-term loan agreement	Bank of Taiwan	2022.01.22~2024.01.22	NT\$300 million credit loan	None
Long-term loan agreement	BNP Paribas	2021.05.04~2023.05.04	US\$57 million credit loan	None
Long-term loan agreement	Mizuho Bank	2022.01.06~2024.01.06	NT\$2 billion credit loan	None
Long-term loan agreement	HSBC Bank	2021.07.01~2023.06.30	NT\$2.6 billion credit loan	None
Long-term loan agreement	MUFG Bank, Ltd.	2021.05.31~2024.05.31	NT\$2.5 billion credit loan	None
Long-term loan agreement	Sumitomo Mitsui Banking Corporation	2021.09.30~2023.09.30	NT\$5.2 billion credit loan	None
Long-term loan agreement	Banco Bilbao Vizcaya Argentaria	2021.07.21~2023.07.21	US\$30 million credit loan	None
Long-term loan agreement	Bank SinoPac	2021.07.02~2023.06.30	NT\$1.2 billion credit loan	None
Long-term loan agreement	DBS Bank	2021.11.02~2026.11.02	NT\$5.8 billion credit loan	None

6 Financial Information

1. Five year condensed balance sheet and comprehensive income statement

(1) Condensed balance sheet (Parent company only)

Unit: NT\$1,000

Item		Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Year						
	Current Assets	39,689,001	26,967,356	23,120,743	25,273,799	27,495,827
	Property, Plants and Equipment	8,946,459	9,114,219	10,477,703	12,233,732	13,907,351
	Intangible Assets	211,865	119,019	84,728	162,265	290,720
	Other Assets	51,905,688	53,045,922	98,780,874	103,834,154	104,749,078
	Total Assets	100,753,013	89,246,516	132,464,048	141,503,950	146,442,976
Current Liabilities	Before Distribution	40,960,714	44,136,423	48,168,710	51,624,914	57,472,298
	After Distribution	66,951,270	53,285,102	57,525,310	60,981,514	Not yet distributed
	Non-Current Liabilities	9,178,037	9,858,043	48,072,457	53,858,845	54,807,670
Total Liabilities	Before Distribution	50,138,751	53,994,466	96,241,167	105,483,759	112,279,968
	After Distribution	76,129,307	63,143,142	105,597,767	114,840,359	Not yet distributed
	Capital-Common Stock	10,396,223	10,396,223	10,396,223	10,396,223	10,396,223
	Capital Surplus	43,875	45,059	46,884	47,628	86,222
Retained Earnings	Before Distribution	40,573,023	24,757,163	26,159,961	26,908,961	25,602,078
	After Distribution	14,582,467	15,608,487	16,803,361	17,552,361	Not yet distributed
	Other Equity	(398,859)	53,605	(380,187)	(1,332,621)	(1,921,515)
	Treasury Stock	—	—	—	—	—
Total Equity	Before Distribution	50,614,262	35,252,050	36,222,881	36,020,191	34,163,008
	After Distribution	24,623,706	26,103,374	26,866,281	26,663,591	Not yet distributed

(2) Condensed balance sheet (Consolidated)

Unit: NT\$1,000

Item	Year	Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Current Assets		88,404,260	75,642,868	74,233,805	78,136,394	79,411,842
Property, Plants and Equipment		24,982,342	25,292,763	26,018,322	28,050,374	29,140,850
Intangible Assets		10,656,713	10,393,880	10,171,442	9,958,198	9,813,940
Other Assets		15,837,945	16,365,569	84,705,065	93,348,968	96,137,403
Total Assets		139,881,260	127,695,080	195,128,634	209,493,934	214,504,035
Current Liabilities	Before Distribution	65,619,920	68,112,215	77,349,713	82,699,832	88,598,018
	After Distribution	91,610,476	77,260,891	86,706,313	92,056,432	Not yet distributed
Non-Current Liabilities		14,754,930	15,557,838	72,551,603	81,816,403	83,114,525
Total Liabilities	Before Distribution	80,374,850	83,670,053	149,901,316	164,516,235	171,712,543
	After Distribution	106,365,406	92,818,729	159,257,916	173,872,835	Not yet distributed
Equity Attributable to Owners of the Parent		50,614,262	35,252,050	36,222,881	36,020,191	34,163,008
Capital-Common Stock		10,396,223	10,396,223	10,396,223	10,396,223	10,396,223
Capital Surplus		43,875	45,059	46,884	47,628	86,222
Retained Earnings	Before Distribution	40,573,023	24,757,163	26,159,961	26,908,961	25,602,078
	After Distribution	14,582,467	15,608,487	16,803,361	17,552,361	Not yet distributed
Other Equity		(398,859)	53,605	(380,187)	(1,332,621)	(1,921,515)
Treasury Stock		—	—	—	—	—
Non-controlling Interest		8,892,148	8,772,977	9,004,437	8,957,508	8,628,484
Total Equity	Before Distribution	59,506,410	44,025,027	45,227,318	44,977,699	42,791,492
	After Distribution	33,515,854	34,876,351	35,870,718	35,621,099	Not yet distributed

(3) Condensed comprehensive income statement (Parent company only)

Unit: NT\$1,000 (EPS=NT\$)

Item	Year	Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Operating Revenue		144,479,880	154,074,731	158,031,567	168,147,856	168,010,130
Gross Profit		50,639,297	53,012,367	54,177,435	56,557,043	56,287,789
Operating Income		6,246,725	7,654,581	7,046,067	7,518,677	5,797,632
Non-Operating Income (Expenses)		30,254,326	4,779,209	5,174,399	4,195,838	4,023,727
Net Income Before Tax		36,501,051	12,433,790	12,220,466	11,714,515	9,821,359
Net Income from Continuing Operations		31,017,094	10,206,388	10,542,860	10,238,162	8,861,619
Income (or Loss) from Discontinued Operations		—	—	—	—	—
Net Income (Loss)		31,017,094	10,206,388	10,542,860	10,238,162	8,861,619
Other Comprehensive Income (Loss)		(744,849)	424,762	(426,096)	(1,086,199)	(429,910)
Total Comprehensive Income (Loss)		30,272,245	10,631,150	10,116,764	9,151,963	8,431,709
Net Income Attributable to Owners of the Parent		—	—	—	—	—
Net Income Attributable to Non-Controlling Interests		—	—	—	—	—
Total Comprehensive Income Attributable to Owners of the Parent		—	—	—	—	—
Total Comprehensive Income Attributable to Non-Controlling Interests		—	—	—	—	—
Earnings per Share (NT\$)		29.83	9.82	10.14	9.85	8.52

(4) Condensed comprehensive income statement (Consolidated)

Unit: NT\$1,000 (EPS=NT\$)

Item	Year	Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Operating Revenue		221,132,082	244,887,853	256,058,888	258,494,907	262,735,464
Gross Profit		73,434,010	84,076,692	87,848,420	88,080,510	88,123,640
Operating Income		10,422,160	12,834,824	13,049,894	12,144,973	10,669,931
Non-Operating Income (Expenses)		30,959,528	2,567,523	2,114,293	1,665,483	1,401,764
Net Income Before Tax		41,381,688	15,402,347	15,164,187	13,810,456	12,071,695
Net Income from Continuing Operations		32,318,072	11,744,278	12,112,109	11,340,258	10,018,536
Income (or Loss) from Discontinued Operations		—	—	—	—	—
Net Income (Loss)		32,318,072	11,744,278	12,112,109	11,340,258	10,018,536
Other Comprehensive Income (Loss)		(877,792)	302,511	(359,692)	(1,116,510)	(528,774)
Total Comprehensive Income (Loss)		31,440,280	12,046,789	11,752,417	10,223,748	9,489,762
Net Income Attributable to Owners of the Parent		31,017,094	10,206,388	10,542,860	10,238,162	8,861,619
Net Income Attributable to Non-Controlling Interests		1,300,978	1,537,890	1,569,249	1,102,096	1,156,917
Total Comprehensive Income Attributable to Owners of the Parent		30,272,245	10,631,150	10,116,764	9,151,963	8,431,709
Total Comprehensive Income Attributable to Non-Controlling Interests		1,168,035	1,415,639	1,635,653	1,071,785	1,058,053
Earnings per Share (NT\$)		29.83	9.82	10.14	9.85	8.52

(5) Names and opinions of external auditors over the past five years

Year	Auditing Firm	Auditor Names		Audit Opinions
2017	PRICEWATERHOUSECOOPERS	Hsiao, Chun-Yuan	Chou, Chien-Hung	Unqualified
2018	PRICEWATERHOUSECOOPERS	Hsiao, Chun-Yuan	Chou, Chien-Hung	Unqualified
2019	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Chou, Chien-Hung	Unqualified
2020	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Chou, Chien-Hung	Unqualified
2021	PRICEWATERHOUSECOOPERS	Liang, I-Chang	Lin, Se-Kai	Unqualified

2. Five years financial analysis

(1) Financial analysis (Parent company only)

Item	Year	Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Financial Structure	Debt to Assets Ratio (%)	49.76	60.50	72.65	74.54	76.67
	Long-Term Capital to Property, Plant and Equipment Ratio (%)	668.33	494.94	804.52	734.68	639.74
Liquidity	Current Ratio (%)	96.90	61.10	48.00	48.96	47.84
	Quick Ratio (%)	78.68	42.48	31.05	31.48	29.85
	Interest Coverage	1198.11	290.35	34.98	30.70	25.30
Operating Performance	Accounts Receivable Turnover (times) (Note 1)	—	—	—	—	—
	Average Collection Days (Note 1)	—	—	—	—	—
	Inventory Turnover (times)	14.22	13.28	12.94	13.18	11.84
	Accounts Payable Turnover (times)	6.40	6.74	6.76	7.14	6.39
	Average Inventory Turnover Days	25.67	27.48	28.22	27.69	30.83
	Property, Plant and Equipment Turnover (times)	16.46	17.06	16.13	14.81	12.85
Profitability	Total Assets Turnover (times)	1.72	1.62	1.43	1.23	1.17
	ROA (%) (Note 3)	36.97	10.78	9.77	7.70	6.38
	ROE (%)	78.30	23.77	29.50	28.34	25.25
	Ratio of Pre-tax Profit to Paid-in Capital (%)	351.10	119.60	117.55	112.68	94.47
	Net Margin (%)	21.47	6.62	6.67	6.09	5.27
Cash Flow	Earnings per Share (NT\$)	29.83	9.82	10.14	9.85	8.52
	Cash Flow Ratio (%)	28.46	38.20	34.41	37.95	43.08
	Cash Flow Adequacy (%)	119.15	96.54	102.16	106.11	107.51
Leverage	Cash Flow Reinvestment Ratio (%) (Note 3)	4.63	(15.67)	14.03	19.14	30.60
	Operating Leverage	2.15	1.84	2.91	2.87	3.57
	Financial Leverage	1.00	1.01	1.05	1.06	1.07

Note 1: Not applicable, as PCSC is a retail business.

Note 2: The calculations of the above financial ratios utilize the formulas listed on page 80, which are based on IFRS.

Note 3: The reasons for changes in financial ratios over the past two years:

- Cash Flow Reinvestment Ratio: The change was primarily caused by increased in net cash flows from operating activities in 2021.
- Operating leverage: The change was primarily caused by decreased in net operating profit in 2021.

(2) Financial analysis (Consolidated)

Item	Year	Financial information for the most recent five years				
		2017	2018	2019	2020	2021
Financial Structure	Debt to Assets Ratio (%)	57.46	65.52	76.82	78.53	80.05
	Long-Term Capital to Property, Plant and Equipment Ratio (%) (Note 3)	297.26	235.57	452.68	452.02	432.06
Liquidity	Current Ratio (%)	134.72	111.06	95.97	94.48	89.63
	Quick Ratio (%)	112.16	86.89	74.18	72.94	66.58
	Interest Coverage (Note 3)	438.85	107.47	13.47	11.45	10.94
Operating Performance	Accounts Receivable Turnover (times)(Note 1)	—	—	—	—	—
	Average Collection Days (Note 1)	—	—	—	—	—
	Inventory Turnover (times)	11.62	11.28	10.93	10.55	9.96
	Accounts Payable Turnover (times)	6.51	6.67	6.75	6.69	6.41
	Average Inventory Turnover Days	31.41	32.35	33.39	34.59	36.65
	Property, Plant and Equipment Turnover (times)	9.35	9.74	9.98	9.56	9.19
	Total Assets Turnover (times)	1.88	1.83	1.59	1.28	1.24
Profitability	ROA (%)	27.57	8.86	8.11	6.13	5.20
	ROE (%)	69.68	22.69	27.14	25.14	22.83
	Ratio of Pre-tax Profit to Paid-in Capital (%)	398.05	148.15	145.86	132.84	116.12
	Net Margin (%)	14.61	4.80	4.73	4.39	3.81
	Earnings per Share (NT\$)	29.83	9.82	10.14	9.85	8.52
Cash Flow	Cash Flow Ratio (%) (Note 3)	31.44	26.31	37.28	36.68	40.61
	Cash Flow Adequacy (%)	125.71	98.19	107.00	114.89	118.73
	Cash Flow Reinvestment Ratio (%) (Note 3)	12.01	(11.48)	23.94	24.68	31.73
Leverage	Operating Leverage	2.23	2.01	2.33	2.51	2.68
	Financial Leverage	1.01	1.01	1.10	1.12	1.13

Note 1: Not applicable, as PCSC is a retail business.

Note 2: The calculations of the above financial ratios utilize the formulas listed on page 80, which are based on IFRS.

Note 3: The reasons for changes in financial ratios over the past two years:

• Cash Flow Reinvestment Ratio: The change was primarily caused by increased in net cash flows from operating activities in 2021.

※Calculations based on IFRS:

※Financial Structure

(1) Debt to Assets Ratio = total liabilities / total assets

(2) Long-term Capital to Property, Plant and Equipment Ratio = (total shareholders' equity + non-current liabilities) / net property, plant and equipment

※Liquidity

(1) Current Ratio = current assets / current liabilities

(2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities

(3) Interest Coverage = earnings before interest and taxes / interest expenses

※Operating Performance

- (1) Average Accounts Receivable Turnover (including accounts receivable and notes receivable arising from business activities) = net sales / average accounts receivable (including accounts receivable and notes receivable arising from business activities)
- (2) Average Collection Days = 365 / average accounts receivable turnover
- (3) Inventory Turnover = cost of goods sold / average inventory
- (4) Average Accounts Payable Turnover (including accounts payable and notes payable arising from business activities) = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from business activities)
- (5) Average Inventory Turnover Days = 365 / inventory turnover ratio
- (6) Property, Plant and Equipment Turnover = net sales / net property, plant and equipment
- (7) Total Asset Turnover = net sales / average total assets

※Profitability

- (1) Return on Assets = [net income + interest expense × (1 – effective tax rate)] / average total assets
- (2) Return on Equity = net income / average shareholders' equity
- (3) Net Margin = net income / net sales
- (4) Earnings per Share = (net income attributable to owners of the parent – preferred stock dividends) / weighted average number of shares outstanding

※Cash Flow

- (1) Cash Flow Ratio = net cash flows from operating activities / current liabilities
- (2) Cash Flow Adequacy Ratio = five year sum of net cash flows from operating activities / five year sum of (capital expenditures+ increase in inventory + cash dividends)
- (3) Cash Flow Reinvestment Ratio = (net cash flows from operating activities – cash dividends) / (gross property, plant and equipment / long-term investments + other non-current assets + working capital)

※Leverage

- (1) Operating Leverage = (net sales – variable operating costs and expenses) / operating profit
- (2) Financial Leverage = operating profit / (operating profit – interest expenses)

3. The Audit Committee report regarding the most recent annual financial report: Please refer to page 96.

4. The audited consolidated financial report for the most recent fiscal year: Please refer to pages 97–162.

5. The audited parent company only financial report for the most recent fiscal year: Please refer to pages 163 –222.

6. Any cash flow difficulties with the Company and its affiliates during the most recent year and as of the date of publication of the annual report: None

7 Financial Status, Financial Performance and Risk Management

1. Financial position analysis (consolidated)

Unit: NT\$1,000

Item	Year	2020	2021	Variance	
				Difference	%
Current Assets		78,136,394	79,411,842	1,275,448	1.63%
Property, Plant and Equipment		28,050,374	29,140,850	1,090,476	3.89%
Intangible Assets		9,958,198	9,813,940	(144,258)	-1.45%
Other Assets		93,348,968	96,137,403	2,788,435	2.99%
Total Assets		209,493,934	214,504,035	5,010,101	2.39%
Current Liabilities		82,699,832	88,598,018	5,898,186	7.13%
Non-current Liabilities		81,816,403	83,114,525	1,298,122	1.59%
Total Liabilities		164,516,235	171,712,543	7,196,308	4.37%
Capital		10,396,223	10,396,223	0	0.00%
Capital Surplus		47,628	86,222	38,594	81.03%
Retained Earnings		26,908,961	25,602,078	(1,306,883)	-4.86%
Equity Attributable to the Parent Company		36,020,191	34,163,008	(1,857,183)	-5.16%
Total Equities		44,977,699	42,791,492	(2,186,207)	-4.86%

1. Reasons for variance over the past two years:

- Increase in Capital Surplus: primarily due to the increase in investment adjustment using equity method not subscribed in proportion to shareholding.

2. Effect of said variance: none

3. Future strategy: The working capital generated from operations and utilization of bank financing is sufficient to support the needs of the Company's operations.

2. Financial performance analysis (consolidated)

Unit: NT\$1,000

Item	Year	2020	2021	Variance	
				Difference	%
Operating Revenue		258,494,907	262,735,464	4,240,557	1.64%
Gross Profit		88,080,510	88,123,640	43,130	0.05%
Operating Profit		12,144,973	10,669,931	(1,475,042)	-12.15%
Total Non-operating Income (Expenses)		1,665,483	1,401,764	(263,719)	-15.83%
Net Pre-tax Income		13,810,456	12,071,695	(1,738,761)	-12.59%
Net Income		11,340,258	10,018,536	(1,321,722)	-11.66%
Other consolidated profit and loss		(1,116,510)	(528,774)	587,736	-52.64%
Total comprehensive income		10,223,748	9,489,762	(733,986)	-7.18%
Net Income Attributable to the Parent Company		10,238,162	8,861,619	(1,376,543)	-13.45%
Total Comprehensive Income Attributable to the Parent Company		9,151,963	8,431,709	(720,254)	-7.87%

1. Explanation of variance:

- Increase in Other consolidated profit and loss: primarily due to increase in remeasurement of defined benefit plans changes.

2. Factors that may impact the Company's sales and financial status over the coming year and proposed responses: The Company expects that by developing innovative and differentiated products and services, as well as digital functions, we can maintain steady growth.

3. Cash flow analysis

(1) Cash flow analysis for the past fiscal year:

Unit: NT\$1,000

Cash Balance at the Beginning of 2021	Net Cash Inflow from Operating Activities in 2021	Net Cash Outflows in 2021	Cash Surplus (Shortage)	Remedies for Cash Shortage	
				Investment Plan	Financial Plan
46,562,907	35,984,001	(36,898,422)	45,648,486	-	-

- Operating activities: The net cash inflow from operating activities was NT\$36.0 billion. The cash inflow remained steady primarily due to stable profits.
- Investing activities: The net cash outflow from investing activities was NT\$9.4 billion, which was primarily due to acquisition of operations-related fixed assets.
- Financing activities: The net cash outflow from financing activities was NT\$26.5 billion, mainly resulting from payment of lease liabilities and payment of cash dividends.

(2) Remedies for cash shortfall and liquidity analysis: Not applicable to PCSC.

(3) Cash flow analysis for the coming year:

Unit: NT\$1,000

Cash Balance at the Beginning of 2021	Estimated Yearly Net Cash Inflow from Operating Activities	Estimated Yearly Net Cash Outflow	Anticipated Cash Surplus (Shortage)	Remedies for Cash Shortage	
				Investment Plan	Financial Plan
45,648,486	35,947,148	(33,997,209)	47,598,425	-	-

- Operating activities: Stable revenue is expected in 2022, which should bring in net cash inflow.
- Investing activities: Investing outflows will primarily include the purchase of fixed assets.
- Financing activities: Financing outflows are primarily expected to be the payment of lease liabilities and cash dividends.

4. Major capital expenditures in recent years and their impact

(1) Major capital expenditures and sources of capital:

1. 7-ELEVEN Taiwan

Unit: NT\$1,000

Project	Actual or Planned Source of Capital	Actual or Planned Date of Project Completion	Total Capital Required	Actual or Planned Capital Expenditures				
				2019	2020	2021	2022	2023
Investments in new stores and POS Equipment	Working capital and loans	Annual	11,085,944	1,801,640	1,860,710	2,058,374	3,143,610	2,221,610
Remodeling of Existing Stores	Working capital and loans	Annual	6,190,472	328,620	838,280	1,621,150	1,658,117	1,744,305
Store Equipment Purchases / Replacement	Working capital and loans	Annual	8,228,165	1,704,100	1,645,280	1,914,103	1,402,341	1,562,341

2. Major subsidiaries

Unit: NT\$1,000

Project	Actual or Planned Source of Capital	Actual or Planned Date of Project Completion	Total Capital Required	Actual or Planned Capital Expenditures		
				2021	2022	2023
Investments in new stores	Working capital and loans	Annual	3,825,473	1,165,627	1,312,603	1,347,243
Remodeling of existing stores	Working capital and loans	Annual	794,628	194,971	295,602	304,055
Store equipment purchases / replacement	Working capital and loans	Annual	901,436	287,134	305,547	308,755
Investments in IT equipment (including purchases of hardware, software and POS equipment)	Working capital and loans	Annual	1,221,137	401,641	429,600	389,896
Purchase and replacement of logistics system or related equipment	Working capital and loans	Annual	4,710,627	1,507,614	1,793,742	1,409,271
Other (e.g., establishment of fresh food processing plants and logistics centers and distribution centers)	Working capital and loans	Annual	681,665	137,975	162,671	381,019

(2) Estimated benefits:

1. Anticipated increase in sales and gross profits:

Unit: NT\$1,000

Year	Item	Sales Value	Gross Profit
2022	Investments in new and existing stores	5,436,541	1,685,328
2023	Investments in new and existing stores	5,463,723	1,694,301
2024	Investments in new and existing stores	5,491,042	1,703,321
2025	Investments in new and existing stores	5,518,497	1,712,390
2026	Investments in new and existing stores	5,546,090	1,721,506

2. Other potential benefits:

The year's capital expenditures were primarily used to introduce new stores, expand store space, and set up new IT equipment, which we expect to have the following benefits:

- (1) Optimizing information equipment can improve operational efficiency, introduce various digital payment tools and delivery platforms, and expand the OPEN POINT member ecosystem to provide customers with more convenient life.
- (2) Adding lifestyles elements in stores to provide customers with more shopping alternatives.

5. Analysis of investments in subsidiaries in recent years

(1) Investment policy and plan and reasons for profits or losses at affiliated enterprises:

In 2021, PCSC's investment income accounted for using equity method was NT\$2,838,228,000, which was mainly due to the business including convenience stores, food and beverages, cosmetics and pharmacies, department stores, super and hypermarkets, and an online shopping website. In order to provide customers with a rich, varied shopping experience, PCSC continually expands into new areas. At the end of 2021, PCSC and its subsidiaries boasted a total of 11,070 retail locations, 3,073 of which are 7-ELEVEN branches in the Philippines which has rapidly adapted to market changes, adjusted and optimized product structure, and strengthened digital services. Starbucks Taiwan have now exceeded 525 locations. They are working hard to optimize membership management and continue to strengthen brand leadership through diversified store types and delivery services. Cosmed have 391 locations. They combine online and offline resources to meet customers' fast-changing demands. Transnet continue to optimize business structure and improve logistical efficiency. Books.com take steps to expand e-book and audiobook business, providing a new reading experience. In the future, we will continue to focus on core business operations to enhance the effectiveness of long-term investments.

(2) Improvement Plan for Investments in Affiliated Enterprises and Investment Plans for the Coming Year

To improve performance at affiliated enterprises currently showing a loss, the Company will adjust the business model, improve the product mix offered to enhance the efficiency and performance.

6. Risk management policies and organizational structure and risk assessment

(1) Risk management policies and structure

PCSC endeavors to maintain a comprehensive risk management system that works to manage risks for the entire organization including consolidated subsidiaries. The Board of Directors, managers at all levels, and employees work together to promote proper implementation of risk management.

In addition to observing relevant regulations, PCSC identifies, analyzes, measures, monitors, responds to, reports, and mitigates all potential risks that could arise from operating activities based on the characteristics and impact of such risks. While working to achieve PCSC's strategic goals, we can also effectively maintain and control potential risk.

For the purpose of coordinating the management of various types of risks of the Company, formulating risk management policies and management scope, planning future operation conditions, and strengthening information security management, in July 2020, the Board resolved to place the "Risk and Information Security Management Office" under the CSR Committee.

The Company's primary risk management structure and the various business units responsible for risk management and its implementation are discussed below:

1. Strategic and operational risks: Each business unit and subsidiary is responsible for the planning and risk assessment of any new investments or operational decisions. PCSC's Office of the President regularly conducts related indicator analysis and tracks performance at the PCSC and affiliated enterprises quarterly meetings and regularly scheduled themed project operation reviews for key affiliated enterprises. Appropriate adjustments to operational strategy are made in accordance with changes in market competition and consumer trends to ensure each business entity's strategy is in line with its operational goals and strategic vision.
2. Financial, liquidity, and credit risks: To respond to changes in related regulations, policies, and the market, PCSC's Finance Office defines a range of strategies, procedures, and indicators to perform regularly-scheduled analysis and evaluation of changes in risk status and respond appropriately in order to mitigate potential risks for the entire company.

3. Market risks: Each business unit analyses and assesses major government policies, laws, and technological advances both in Taiwan and abroad and formulates appropriate response measures to reduce potential future risks. In addition, PCSC established an inter-division Regulation Identification Team and holds regular Regulation Identification Meetings to track the latest changes in Taiwan laws and regulations and formulate appropriate responses. Also, the Crisis Management Team, made up of division managers, was established effectively control and manage any potential or existing market risks and crises.
4. Through risk assessment and regulatory reviews, the Internal Audit Office draws up an annual audit plan and self-inspection procedures and methods, which, when implemented, help to control aforementioned risks. The results of these inspections shall be reported periodically to the Board of Directors.

(2) Risk Assessment and Analysis

1. Impact on Company profits and responses to fluctuations in interest rates, foreign exchange rates, and inflation:

(1) Changes in interest rates:

Taiwan's economy grew at a rate of 6.45% in 2021 and is expected to grow at a rate of 4.42% in 2022 according to the Directorate-General of Budget, Accounting and Statistics. In light of developments in terms of the pandemic as well as economic and financial situation, both in Taiwan and around the world, the global economy will continue to recover this year, but growth rate will slow down. With the supply and demand imbalance problem eased, global inflation is expected to gradually stabilize. However, the world still faces uncertainties, such as the evolution of the epidemic, monetary policies of major advanced economies, competition between the US and China, and disasters caused by climate change, which increase the downside risk of the global economy. In principle, the future monetary policy of Taiwan's central bank will move toward tightening, but it will retain flexibility.

Countermeasures: We will continue to monitor the trend of interest rates, negotiate with various financial institutions, and use other capital markets to raise funds to control the Company's financing costs.

(2) Changes in exchange rates:

The Company buys and sells mainly in NT dollars and foreign currency-denominated products account for a very small proportion of total sales, so fluctuations in exchange rates have no significant effect on our profits and losses.

(3) Inflation:

Since the beginning of 2021, the international oil price has risen, which has driven the domestic oil prices to rise. In addition, due to the delayed impact of the typhoon and heavy rain in August, the vegetables and fruits prices have risen sharply. The Directorate-General of Budget, Accounting and Statistics announced that the consumer price index (CPI) was 1.96%, hit a 13-year high.

Looking forward to 2022, due to factors such as international oil prices hike and geopolitical tensions, the domestic inflation rate will continue to remain high, and the annual growth rate of the CPI will be revised up to 2.37%. The central bank has raised interest rates by 0.25% in response to inflation, and with the momentum of exports and private investment has continued to increase, the authorities delivered a forecast GDP growth rate of 4.42%.

Countermeasures: PCSC is continuously committed to strengthening the value of merchandises, improving the gross profit structure, and strengthening the membership economy and providing a diversified platform and other marketing strategies, grasping the consumption trend and business opportunities to reduce the cost increase pressure caused by future inflation and the impact on PCSC.

2. Policies regarding engagement in highly risky or highly leveraged investments, loans to others, endorsements, or derivatives trading; reasons for profits or losses from such activities; and proposed response measures:

(1) Company policy:

PCSC focuses on our retail and distribution business and has not engaged in risky or highly-leveraged investments. However, in order to effectively control and manage business-related risks and enhance the safety of financial operations, PCSC has structured a set of internal management and operational procedures on the basis of the relevant regulations from the Securities and Futures Bureau. These requirements and procedures include "Procedures for Loading of Funds", "Procedures for Acquisitions or Disposals of Assets" and "Procedures for Making of Endorsements". In accordance with the Securities and Futures Bureau's Guidelines Governing Establishment of Internal Control Systems at Publicly Held Companies, PCSC's Internal Audit Office and subsidiaries have defined a set of risk management and assessment procedures.

- (2) Status of loans from PCSC and affiliated enterprises to others, endorsements, and derivatives trading and reasons for profit or losses of such activities:

- a. Loans to others: In 2021, the subsidiary President Pharmaceutical Corp. loaned funds to President Being Corp. in the amount of NT\$40 million, with actual amount of NT\$20 million for the year ending December 31, 2021. The above subsidiaries are engaged in lending funds to others in accordance with the “Procedures for Lending Funds to Others”.
 - b. Endorsements and guarantees: The Company and its subsidiaries have not offered endorsements.
 - c. Derivatives: The Company and its subsidiaries are not engaged in the trade of derivatives.
- (3) Future response measures:
- a. The main goal of the risk control and hedging strategy implemented by PCSC is to avoid operational risks. To this end, should the Company utilize derivatives, it should be to establish a hedging position. Financial products shall be selected for the purpose of hedging operational risks resulting from interest expenses, assets, or liabilities.
 - b. PCSC’s Finance Office is responsible for managing the Company’s derivatives trading position and performs routine market evaluations. If the Finance Office discovers unusual trading or losses, it shall take necessary action and report the situation to the Board immediately. In addition, the Company also conducts routine performance evaluations of derivative trades to ensure they are in line with our operating strategy and that the risks are maintained within the Company’s risk tolerance.
3. R&D Plans and Projected Investment:
- (1) Membership and Point System: Providing members with a convenient shopping experience that can accumulate and redeem points. Integrating multiple channels and functional services to expand the OPEN POINT members’ ecosystem, accelerating the accumulation of points and expanding the value of points.
 - (2) Mobile ordering and pickup APP optimization: In response to changes in digital consumption patterns, we are expanding our online sales functions and the system functions integrated with our stores to provide consumers with diversified services.
 - (3) OPEN APP Optimization: Optimization focuses on user experience, personalized subscription system, and promotion of various promotions to improve overall satisfaction.
 - (4) The estimated investment in R&D in 2022 was approximately NT\$92.65 million and included membership system, data system, store software, digital payment function optimization to provide better digital services for customers.
4. Financial impacts of and responses to major changes to domestic and overseas laws and government policies:
- (1) PCSC has already taken appropriate measures to respond to recent changes in government policies and laws in Taiwan and overseas, so these changes did not significantly impact the Company’s financial operations.
 - (2) In response to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter announced in March 2011 by the Securities and Futures Bureau, PCSC established the Remuneration Committee in June 2011. In June 2012, PCSC held new elections for the Company’s Board of Directors, invited independent directors to the Board, and established the Audit Committee in response to the March 2011 announcement of the Applicable Scope of Appointment of Independent Directors for Publicly Traded Companies and to optimize the Company’s corporate governance. In response to amendments to the Company Act, PCSC implemented electronic voting and voting by polls at the General Shareholders’ Meeting in 2013. In 2014, PCSC formulated Ethical Best Practice Principles and Corporate Governance Best Practice Principles, and in 2015 further added the Ethical Operating Procedures and Behavior Guidelines and Procedures Governing Applications to Suspend and Resume Trading. In July 2015, Article 235 of the Company Act was revised, while Article 235-1 was added. In response, the General Shareholders’ Meeting passed an amendment to the Articles of Incorporation in June 2016 to change the sources and order of employee and director remuneration to comply with the law. PCSC established the interdepartmental Regulations Identification Team, which issues a quarterly report and keeps up to date on the latest regulatory changes.
5. Financial impacts of and responses to technological and industry changes (includes information security risk):

- (1) Continuing the epidemic in 2021, PCSC encounter the changes in consumption habits in 2022. Consumers tend to use digital platform to shop, so we provide digital service tools such as Mobile ordering and pickup APP, iPre-order, and delivery platforms, allowing consumers order online and pickup in our store or at home.
- (2) In addition to the online platforms, the intelligent vending machines are also effective equipment providing services for the stores to develop and extend business opportunities. PCSC continues to seek innovation and change as well as contemplate more diversified business models.
- (3) In response to aging population and labor shortage issues, we developed X-STORE presenting the usage of new technology and extracted the application mode that can help save labor and efficient store operation.
- (4) As technology advances rapidly, most risks to information safety are caused by network environment and employee behavior, including hacker attacks, traffic flow attacks, software (ransom) virus, phishing, spam, software updates, and access control. Possible effects on the Company include internal data being stolen or altered, account losses, impact on daily operations, and damage to Company reputation. The Company has drawn up internal information safety management regulations and regularly conducts inspections to ensure that they are being implemented, performs regular system information safety testing, utilizes information safety equipment, such as firewalls, to review user behavior, enhance anti-virus mechanisms and encryption mechanisms. Our personal data protection measures have received TPIPAS certification and are tested and evaluated regularly by a third party and employees receive regular training to enhance information safety awareness. Information security risk management matters are also regularly reported to the Board through the Ethical Operations Team.
- PCSC's board of directors added the "Risk and Information Security Management Office" in July 2020 to coordinate the management of various types of company risks, formulate risk management policies and management scope, plan future operations, and strengthen information security management.
6. Impacts of changes in corporate image on corporate crisis management and related response measures:
PCSC upholds the corporate culture of "sincerity, innovation, and sharing", and does our utmost to provide the public with safe, convenient, high-quality products and services. In 2021, we have exceeded 6,300 stores. Behind the rapid growth, in addition to pursuing the diversified products and services, it also represents that PCSC has been closely related to people's life in food, clothing, housing, transportation, education, and entertainment are closely intertwined. We must more actively interact with stakeholders and fulfill our corporate responsibilities.
- In recent years, we have continued to actively promote sustainable development, and sustainable governance strength has been recognized in 2021. We received the "2021 Taiwan Corporate Sustainability Awards " Top Ten Sustainability Model Corporate Award (Service Industry Group), the Platinum Award of the Sustainability Report award by the TAISE, and has been selected for the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index for three consecutive years, ranked among the world's benchmark companies. PCSC was selected as a constituent stock of FTSE4Good Emerging Index, TWSE Corporate Governance 100 Index and FTSE4Good TIP Taiwan ESG Index, MSCI ESG Leaders indexes, MSCI Global SRI Indexes, and was ranked among the top 5% in the seventh Taiwan Corporate Governance Evaluation System, making it the only listed company in the retail industry to win seven consecutive years. We further strengthen the company's corporate image and internal culture.
- In addition, in response to potential crises that may affect the company's image, such as typhoons, earthquakes, floods, fires, casualties, supply chain interruptions and other natural or man-made disasters, PCSC has also established a sound crisis management authority and crisis response unit. Standardize operating procedures with a view to minimizing the damage caused by the crisis. We set up "crisis management team", headed by the Vice President of the operation group, includes the "Emergency Response Team", "Legal team", "Public Relations team" and "Quality Assurance team". Formulate the principle of crisis event reporting, standardize the event response process, and stabilize the operation of PCSC through a strict mechanism. And set up "PCSC Principles of Legal Control and Breakthrough", in which the legal identification meeting is set as the guidance unit for legal compliance, and mechanism is established, so as to grasp the trend of government regulations and ensure the organization can meet the requirements of various laws and regulations.
7. Anticipated benefits, risks of M&A activity and appropriate responses: Not applicable
8. Anticipated benefits, risks of factory expansion and appropriate responses: Not applicable
9. Anticipated risks of concentrating purchasing and distribution and appropriate responses: Not applicable

10. Possible effects and risks caused by large transfers or changing hands of shares by directors, supervisors, or major shareholders who hold an over 10% stake in the Company and proposed responses: Not applicable
11. Possible benefits and risks to the Company due to a change in operating rights and proposed responses: Not applicable
12. All major litigation, non-litigation disputes, and administrative disputes that involve the Company, the Company's Directors, Supervisors, President, responsible parties, major shareholders with over 10% stake, or affiliated enterprises should be disclosed as long as the outcome may have a significant impact on shareholder equity or share prices, whether said dispute has been settled or is still pending. The disclosure should include the factual matters of the dispute, underlying monetary values, date actions commenced, the main parties involved, and response measures taken as of the Annual Report publication date: Not applicable
13. Other major risks and proposed responses: None

7. Other important items: None

8 Specific Notes

1. Information about affiliated companies:

2021 Consolidated Business Report of Affiliated Companies: Please refer to pages 223 – 234.

2. Private Placement of Securities: None (in the most recent fiscal year and up to the issue date of this Annual Report)

3. PCSC Securities Acquired, Disposed of, or Held by Subsidiaries: None (in the most recent fiscal year and up to the issue date of this Annual Report)

4. Other Supplementary Information Required: None

5. Situations described in Article 36, Paragraph 2, Item 2 of the Securities and Exchange Act: In the most recent fiscal year and up to the issue date of this Annual Report, PCSC has not experienced any events as described in Article 36, Paragraph 2, Item 2 of the Securities and Exchange Act that have had major impacts on shareholders' equity or share prices.

Appendix

- 92** 1、Positions Concurrently Held by Director in Other Companies
- 94** 2、Positions Concurrently Held by Management in Other Companies
- 95** 3、Statement of Internal Control System
- 96** 4、Audit Committee's Review Report
- 97** 5、Consolidated Financial Statements and Report of Independent Accountants
- 163** 6、Parent Company Only Financial Statements and Report of Independent Accountants
- 223** 7、Consolidated Business Reports of Affiliated Companies

1 Positions Concurrently Held by Director in Other Companies

As of December 31, 2021

Name	Current Position in Other Companies
Lo, Chih-Hsien	<p>Chairman : Uni-President Enterprises Corp. \ President Natural Industrial Corp. \ Ton Yi Industrial Corp. \ Ttet Union Corporation \ Prince Housing & Development Corp. \ President Packaging Industrial Corp. \ Woongjin Foods Co., Ltd. \ Daeyoung Foods Co., Ltd. \ President International Development Corp. \ Uni-President China Holdings Ltd. \ Changjiagang President Nisshin Food Co., Ltd. \ Scinopharm Taiwan, Ltd. \ Uni-President (Philippines) Corp. \ Uni-President (Thailand) Ltd. \ Uni-President (Vietnam) Co., Ltd. \ Uni-President Enterprises (China) Investment Co., Ltd. \ Uni-President Cold-Chain Corp. \ Presco Netmarketing, Inc. \ Uni-President Dream Parks Co. \ President Century Corp. \ President Property Corporation \ Nanlien International Corp. \ Cheng-Shi Investment Holding Co. \ Prince Real Estate Co. \ Times Square International Holding Co. \ Times Square International Hotel Co. \ Times Square International Stays Co. \ Uni-President Express Corp.</p> <p>Vice Chairman : President Nisshin Corp.</p> <p>Director : Presicarre Corporation \ Uni-Wonder Corporation \ Uni-President Organics Corp. \ Uni-President Glass Industrial Co., Ltd. \ Cayman President Holdings Ltd. \ Kai Yu (Bvi) Investment Co., Ltd. \ President Fair Development Corp. \ Uni-President Southeast Asia Holdings Ltd. \ Uni-President Asia Holdings Ltd. \ Uni-President Hong Kong Holdings Limited \ Champ Green Capital Co., Limited \ Champ Green (Shanghai) Consulting Co., Ltd. \ Uni-President Enterprises (Guangzhou) Co., Ltd. \ Uni-President Enterprises (Fuzhou) Co., Ltd. \ Uni-President Enterprises (Xinjiang) Food Co., Ltd. \ Uni-President Enterprises (Wuhan) Food Co., Ltd. \ Uni-President Enterprises (Kunshan) Food Co., Ltd. \ Uni-President Enterprises (Chengdu) Food Co., Ltd. \ Uni-President Enterprises (Shenyang) Co., Ltd. \ Uni-President Enterprises (Harbin) Co., Ltd. \ Uni-President Enterprises (Hefei) Co., Ltd. \ Uni-President Enterprises (Zhengzhou) Co., Ltd. \ Uni-President Enterprises (Beijing) Drink Co., Ltd. \ Uni-President Enterprises (Kunshan) Food Technology Co., Ltd. \ Uni-President Enterprises (Nanchang) Co., Ltd. \ Uni-President (Shanghai) Trading Co., Ltd. \ Uni-President Enterprises (Kunming) Food Co., Ltd. \ Uni-Yantai Tongli Beverage Industries Co., Ltd. \ Uni-President Enterprises (Changsha) Co., Ltd. \ Uni-President (Bama) Mineral Water Co., Ltd. \ Uni-President Enterprises (Nanning) Co., Ltd. \ Uni-President Enterprises (Zhanjiang) Co., Ltd. \ Uni-President Enterprises (Chongqing) Co., Ltd. \ Uni-President Enterprises (Taizhou) Co., Ltd. \ Uni-President Enterprises (Akesu) Co., Ltd. \ Uni-President Enterprises (Changchun) Co., Ltd. \ Uni-President (Shanghai) Pearly Century Co., Ltd. \ Uni-President Enterprises (Baiyin) Co., Ltd. \ Hainan President Enterprises Co., Ltd. \ Uni-President Enterprises (Guiyang) Co., Ltd. \ Uni-President Enterprises (Jinan) Co., Ltd. \ Uni-President Enterprises (Hangzhou) Co., Ltd. \ Uni-President Enterprises (Wuxue) Mineral Water Co., Ltd. \ Shijiazhuang President Enterprises Co., Ltd. \ Uni-President Enterprises (Xuzhou) Co., Ltd. \ Uni-President Enterprises (Henan) Co., Ltd. \ Uni-President Trading (Kunshan) Co., Ltd. \ Uni-President Enterprises (Shaanxi) Co., Ltd. \ Uni-President Enterprises (Jiangsu) Co., Ltd. \ Uni-President Enterprises (Changbai Mountain Jilin) Mineral Water Co., Ltd. \ Uni-President Enterprises (Ningxia) Co., Ltd. \ Uni-President Enterprises (Shanghai) Co., Ltd. \ Uni-President Enterprises (Inner Mongolia) Co., Ltd. \ Uni-President Enterprises (Shanxi) Co., Ltd. \ Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd. \ Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd. \ Uni-President Enterprises (Tianjin) Co., Ltd. \ Uni-President Enterprises (Hunan) Co., Ltd. \ Uni-Oao Travel Service Corp. \ President Packaging Holdings Ltd. \ Kuang Chuan Dairy Co., Ltd. \ Kuang Chuan Foods Ltd. \ President Energy Development (Cayman Islands) Ltd. \ Uni-President Development Corp. \ President Professional Baseball Team Corp. \ Tait Marketing & Distribution Co., Ltd. \ Wei Lih Food Industrial Co., Ltd. \ Keng Ting Enterprises Co., Ltd. \ President Chain Store (Bvi) Holdings Ltd. \ President Chain Store (Labuan) Holdings Ltd. \ Rsi, Retail Support International Corporation \ Kao Chuan Inv. Co., Ltd. \ Prince Property Management Consulting Co. \ Uni-President Assets Holdings Ltd.</p> <p>Supervisor : Infinity Holdings Ltd. \ Eternity Holdings Ltd. \ Celestial Prosperities Holdings Ltd.</p> <p>President : Presco Netmarketing, Inc. \ Uni-President Express Corp.</p>
Kao, Shiow-Ling	<p>Chairman : Infinity Holdings Ltd. \ Eternity Holdings Ltd. \ Celestial Prosperities Holdings Ltd. \ President Fair Development Corp. \ Uni-President Department Store Corp. \ President Being Corp. \ President Pharmaceutical Corp. \ President Drugstore Business Corp. \ Kao Chuan Inv. Co., Ltd.</p> <p>Director : Uni-President Enterprises Corp. \ Uni-Wonder Corporation \ Ton Yi Industrial Corp. \ Prince Housing & Development Corp. \ Grape King Bio Ltd \ President International Development Corp. \ ScinoPharm Taiwan, Ltd. \ President Century Corp. \ Uni-President Development Corp. \ President (Shanghai) Health Product Trading Company Ltd \ Beauty Wonder (Zhejiang) Trading Co., Ltd. \ Times Square International Holding Co. \ Times Square International Hotel Co.</p> <p>President : President Fair Development Corp. \ Kao Chuan Inv. Co., Ltd.</p>
Chen, Jui-Tang	<p>Chairman : President Lanyang Art Corporation, President Transnet Corp., President Collect Service Corp., Uni-Wonder Corporation, Uni-President Superior Commissary Corp., Kai Ya Food Co., Ltd.</p> <p>Vice Chairman : Philippine Seven Corp.</p> <p>Director : Uni-President Development Corp., PCSC (China) Drugstore Ltd., President Chain Store (Hong Kong) Holdings Limited, Uni-President Logistics (BVI) Holdings Limited., Uni-President Enterprises Corp., Nanlien International Corporation</p>

Name	Current Position in Other Companies	
Huang, Jui-Tien	Chairman	: Wisdom Distribution Service Corp., Retail Support International Corp., Capital Marketing Consultant Corp., President Chain Store Tokyo Marketing Corporation., iCASH Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., President (Shanghai) Health Product Trading Company Ltd., Tait Marketing & Distribution Co., Ltd. \ Ren-Hui Investment Corp.
	Director	: President Drugstore Business Corp., President Pharmaceutical Corp., President Transnet Corp., President Collect Service Corp., Books.com. Co., Ltd., Uni-Wonder Corporation, Uni President Cold-Chain Corp., President Information Corp., President Fair Development Corp., President International Development Corp., Philippine Seven Corp., President Chain Store (Shanghai) Ltd., Shan Dong President Yinzuo Commercial Limited, President Chain Store (Zhejiang) Ltd., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Limited, President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Limited, President Pharmaceutical (Hong Kong) Holdings Limited, Ren Hui Holding Co., Ltd., Uni-President Foodstuff (BVI) Holdings Ltd., Changjiagang President Nisshin Food Co., Ltd., Shanghai Songjiang President Enterprises Co., Ltd., President Nisshin Corp., Uni-President Express Corp.
	President	: President Pharmaceutical (Hong Kong) Holdings Limited., Ren-Hui Investment Corp.
Huang, Jau-Kai	Chairman	: Uni-President Vender Corp.
	Director	: Ton Yi Industrial Corp. \ Woongjin Foods Co., Ltd. \ Daeyoung Foods Co., Ltd. \ Uni-President Marketing Co., Ltd. \ Uni-President (Vietnam) Co., Ltd. \ Uni-President Cold-Chain Corp. \ Uni-President Express Corp.
	Supervisor	: Uni-President (Korea) Co., Ltd.
	President	: Uni-President Enterprises Corp.
Su, Tsung-Ming	Chairman	: President Life Sciences Co., Ltd. \ Tong Yu Investment Corp. \ Uni-President Development Corp. \ AndroScience Corp.
	Director	: Grand Bills Finance Corporation \ President International Development Corp. \ Uni-President China Holdings Ltd. \ ScinoPharm Taiwan, Ltd. \ President Tokyo Corporatio \ Uni-President Hong Kong Holdings Limited \ President (BVI) International Investment Holdings Ltd. \ President Energy Development (Cayman Islands) Ltd. \ President Life Sciences Cayman Co., Ltd. \ President Tokyo Auto Leasing Corporation \ Tong-Sheng Finance Leasing Co., Ltd. \ Tanvex Biologics, Inc. \ Cdb & Partners Investment Holding Corporation \ Xiang Lu Industrial Ltd.
	Supervisor	: Presicarre Corporation \ Uni-President Enterprises (China) Investment Co., Ltd. \ Presco Netmarketing, Inc.
	President	: President International Development Corp. \ President Property Corporation
Wu, Liang-Feng	Chairman	: Zhongshan President Enterprises Co., Ltd. \ Tianjin President Enterprises Food Co., Ltd. \ Qingdao President Feed & Livestock Co., Ltd. \ Master Channels Corporation
	Director	: Ttet Union Corporation \ Changjiagang President Nisshin Food Co., Ltd. \ President Nisshin Corp.
	President	: Changjiagang President Nisshin Food Co., Ltd.
Wu, Kun-Lin	Chairman	: Fu Yie Enterprise Co., Ltd \ Chang-Tong Enterprise Corp. \ PT. Uni President Indonesia
	Director	: Changjiagang President Nisshin Food Co., Ltd.
Wu, Tsung-Pin	Chairman	: Tung-Ren Pharmaceutical Corporation \ Kai Nan Investment Co., Ltd.
	Director	: Prince Housing & Development Corp. \ President Fair Development Corp. \ ScinoPharm Taiwan, Ltd. \ Uni-President (Vietnam) Co., Ltd. \ Uni-President Hong Kong Holdings Limited \ Kuang Chuan Dairy Co., Ltd. \ Kuang Chuan Foods Ltd. \ Tung Lo Development Co., Ltd. \ Tone Sang Construction Corp. \ Cheng-Shi Investment Holding Co. \ Prince Real Estate Co. \ Times Square International Holding Co. \ Times Square International Hotel Co.
	Supervisor	: President Kikkoman Inc. \ Woongjin Foods Co., Ltd. \ Daeyoung Foods Co., Ltd. \ Kunshan President Kikkoman Biotechnology Co., Ltd. \ President International Development Corp. \ President Kikkoman Zhenji Foods Co., Ltd. \ President Century Corp. \ President Professional Baseball Team Corp. \ Nanlien International Corp. \ Times Square International Stays Co. \ Uni-President Express Corp.
Wu, Wen-Chi	Director	: Philippine Seven Corp., Uni-President (Singapore) Pte. Ltd.
	Supervisor	: President Transnet Corp., President Collect Service Corp., Books.com. Co., Ltd., Uni-Wonder Corporation, President Information Corp., President Chain Store (Shanghai) Ltd., President Chain Store (Zhejiang) Ltd., Connection labs Ltd.
Hung, Yung-Chen	Director	: Hua Vi Venture Capital Corp.
Chen, Liang	Chairman	: Peak Capital Holdings Inc.
	Supervisor	: First Commercial Bank
Hsu, Ke-Wei	Independent Director	: Nidec Chaun-Choung Technology Corp.

2 Positions Concurrently Held by Management in Other Companies

As of December 31, 2021

Name	Current Position in Other Companies	
Huang, Jui-Tien	Chairman	: Wisdom Distribution Service Corp., Retail Support International Corp., Capital Marketing Consultant Corp., President Chain Store Tokyo Marketing Corporation., iCASH Corp., Beauty Wonder (Zhejiang) Trading Co., Ltd., President (Shanghai) Health Product Trading Company Ltd., Tait Marketing & Distribution Co., Ltd. > Ren-Hui Investment Corp.
	Director	: President Drugstore Business Corp., President Pharmaceutical Corp., President Transnet Corp., President Collect Service Corp., Books.com. Co., Ltd., Uni-Wonder Corporation, Uni President Cold-Chain Corp., President Information Corp., President Fair Development Corp., President International Development Corp., Philippine Seven Corp., President Chain Store (Shanghai) Ltd., Shan Dong President Yinzuo Commercial Limited, President Chain Store (Zhejiang) Ltd., President Chain Store (BVI) Holdings Ltd., PCSC (China) Drugstore Limited, President Chain Store (Labuan) Holdings Ltd., President Chain Store (Hong Kong) Holdings Limited, President Pharmaceutical (Hong Kong) Holdings Limited, Ren Hui Holding Co., Ltd., Uni-President Foodstuff (BVI) Holdings Ltd., Changjiagang President Nisshin Food Co., Ltd., Shanghai Songjiang President Enterprises Co., Ltd., President Nisshin Corp., Uni-President Express Corp.
	President	: President Pharmaceutical (Hong Kong) Holdings Limited., Ren-Hui Investment Corp.
Chen, Jui-Tang	Chairman	: President Lanyang Art Corporation, President Transnet Corp., President Collect Service Corp., Uni-Wonder Corporation, Uni-President Superior Commissary Corp., Kai Ya Food Co., Ltd.
	Vice Chairman	: Philippine Seven Corp.
	Director	: Uni-President Development Corp., PCSC (China) Drugstore Ltd., President Chain Store (Hong Kong) Holdings Limited, Uni-President Logistics (BVI) Holdings Limited., Uni-President Enterprises Corp., Nanlien International Corporation
Hsieh, Lien-Tang	Chairman	: Duskin Serve Taiwan Co., Ltd., Mister Donut Taiwan Corp.
	Director	: President Transnet Corp., President Collect Service Corp., Retail Support International Corp., Ren Hui Holding Co., Ltd.
Lin, Chi-Chang	Chairman	: Cold Stone Creamery Taiwan Ltd., President Chain Store Corporation Insurance Brokers Co., Ltd.,
	Director	: Uni-President Cold-Chain Corp., iCASH Corp.
Wu, Wen-Chi	Director	: Philippine Seven Corp., Uni-President (Singapore) Pte. Ltd.
	Supervisor	: President Transnet Corp., President Collect Service Corp., Books.com. Co., Ltd., Uni-Wonder Corporation, President Information Corp., President Chain Store (Shanghai) Ltd., President Chain Store (Zhejiang) Ltd., Connection labs Ltd.
Lee, Johnyih	Director	: Uni-President Assets Management Corp.
	Supervisor	: President Drugstore Business Corp., President Being Corp., Mech-President Corp., Uni-President Department Store Corp., Duskin Serve Taiwan Co., Ltd., Mister Donut Taiwan Corp., Uni-President Development Corp., President Pharmaceutical Corp.
Lin, Hung-Chun	Director	: Shan Dong President Yinzuo Commercial Limited
Hsieh, Kuan-Hung	Chairman	: President Chain Store (Shanghai) Ltd., President Cosmed Chain Store (Shen Zhen) Co., Ltd., President Chain Store (Zhejiang) Ltd., Zhejiang Uni-Champion Logistics Development Co., Ltd.
Hsu, Kwang-Yu	Chairman	: Uni-President Oven Bakery Corp.
	Director	: Uni-Wonder Corporation.
Hsieh Hung, Hui-Tzu	Director	: President Securities Corp.
Wu, Hui-Chen	Chairman	: Mech-President Corp., Tong Ching Corp.
Chang, Kuo-Kuang	Chairman	: Tung Lo Developmnt Co., Ltd.
	Director	: Uni-President Development Corp., President Century Corp., Tone Sang Construction Corp.
	President	: Uni-President Development Corp., Tung Lo Developmnt Co., Ltd.
Chang, Chia-Hua	Chairman	: Qware Systems & Services Corp., President Information Corp., Connection labs Ltd.
	Director	: iCASH Corp., Presco Netmarketing Inc.
	President	: President Information Corp.

3 Statement of Internal Control System

Statement of Internal Control System of President Chain Store Corporation (translated from Chinese)

Date: February 24, 2022

According to the results of a self-assessment, President Chain Store Corporation (the "Company") states the following with regard to its internal control system during the year 2021:

1. The Company acknowledges that the establishment, implementation and maintenance of internal control system are the responsibility of Board of Directors and management, and the Company has established the system. The internal control system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and safeguard of assets), the reliability, timeliness and transparency of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of achieving the aforementioned three goals. Moreover, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. Nevertheless, the internal control system has self-monitoring mechanism, and the Company will take remedial action in response to any identified deficiencies.
3. The Company evaluates the effectiveness of design and operation of its internal control system based on the judgment items ruled in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (collectively referred herein as "Regulations"). The judgment items of internal control system adopted by the Regulations are the process of management control, and there are five key components of internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes a certain number of items, and seeing the Regulation for the foregoing items.
4. The Company assessed the effectiveness of design and operation of its internal control system according to the aforementioned Regulations.
5. Based on the foregoing results of evaluation, the Company believes that the internal control system (that includes the supervision and management of subsidiaries), to provide reasonable assurance over the aforementioned goals are accomplished, including the effectiveness and the efficiency of operations, the reliability, timeliness and transparency of financial reporting and the compliance of applicable law and regulations.
6. This statement will be the main content of Annual Report and Prospectus, and will be disclosed publicly. If the above contents contain any falsehood, concealment, or illegality, it will involve in legal liability under Article 20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors held on February 24, 2022, and those 13 directors in presence all affirm at the contents of this statement.

President Chain Store Corporation

Chairman : Lo, Chih-Hsien

President : Huang, Jui-Tien

4 Audit Committee's Review Report

President Chain Store Corp. Audit Committee's Review Report (Translation)

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and Proposal for Allocation of 2021 profits. The independent auditors, Yi-Chang, Liang and Se-Kai, Lin of PRICEWATERHOUSECOOPERS, TAIWAN audited PCSC's Financial Statements and issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of President Chain Store Corp.. According to Article 219 of the Company Act, we hereby submit this report.

General Shareholders' Meeting of PRESIDENT CHAIN STORE CORP. 2022

President Chain Store Corp.

Chairman of the Audit Committee Chen, Liang

Date: February 24, 2022

5 Consolidated Financial Statements and Report of Independent Accountants

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

PRESIDENT CHAIN STORE CORP.

February 24, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of President Chain Store Corp.

Opinion

We have audited the accompanying consolidated balance sheets of President Chain Store Corp. and its subsidiaries (the "Group") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors, please refer to the Other matter section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of President Chain Store Corp. and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(25) and 6(25) to the consolidated financial statements for the accounting policy and the details of accounting relating to this key audit matter.

Retail sales revenue is generated by point-of-sale (POS) terminals, which record the merchandise name, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.). After the daily closing process, each store manager uploads their sales information to the ERP (enterprise resource planning) system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report to record the sales information and payment methods (including cash, gift certificates, credit cards and electronic payment devices, etc.) and the cash deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to the completeness and accuracy of the retail sales revenue, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Inspected whether additions and changes to the merchandise master file data had been properly approved and supported by relevant documents;
2. Inspected whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;
3. Inspected whether merchandise master file data had been periodically transferred to POS terminals in stores;
4. Inspected whether sales information in POS terminals was periodically and completely transferred to the ERP system and automatically generated sales revenue journal entries;
5. Inspected manual sales revenue journal entries and relevant documents;
6. Inspected daily cash reports and relevant documents; and
7. Inspected whether cash deposit amounts recorded in daily cash reports were in agreement with bank remittance amounts.

Cost-to-retail ratio of retail inventory method

Description

Please refer to Notes 4(12) and 6(4) to the consolidated financial statements for the accounting policy and the details of accounting relating to this key audit matter.

As there are various kinds of merchandise, the retail inventory method is used to estimate the cost of inventory and the cost of goods sold. The retail inventory method uses the ratio of the cost of goods purchased to the retail value of goods purchased (known as cost-to-retail ratio) to calculate the cost of inventory and the cost of goods sold. The calculation of the cost-to-retail ratio highly relies on the goods purchased both at cost and retail price, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Interviewed management to understand the calculation of the cost-to-retail ratio under the retail inventory method, and inspected whether it had been consistently applied in the comparative periods of the financial statements;

2. Inspected whether additions and changes to the merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.) had been properly approved and the data correctly entered in the merchandise master file;
3. Inspected whether the cost and retail price of inventory purchased as per delivery receipts were in agreement with POS purchase records after acceptance of the inventory;
4. Inspected whether the POS records for the cost and retail price of inventory purchased were periodically and completely transferred to the ERP system and ascertain whether the records could not be changed manually; and
5. Calculated the cost-to-retail ratio to verify its accuracy.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain consolidated subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and the information on investees disclosed in Note 13, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$15,269,632 thousand and NT\$17,535,932 thousand, representing 7.1% and 8.4% of the consolidated total assets as at December 31, 2021 and 2020, respectively, and the operating revenue amounted to NT\$26,481,589 thousand and NT\$26,619,815 thousand, representing 10.1% and 10.3% of the consolidated total operating revenue for the years then ended, respectively.

Other matters – Parent company - only financial statements

We have audited and expressed an unmodified opinion with an explanatory paragraph on the parent company only financial statements of President Chain Store Corp. as of and for the years ended December 31, 2021 and 2020.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the general accepted auditing standard in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the general accepted auditing standard in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are, therefore, considered to be the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2022

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 45,648,486	21	\$ 46,562,907	22
1110	Financial assets at fair value through profit or loss - current	6(2)	660,155	-	2,105,496	1
1170	Accounts receivable, net	6(3) and 7	6,484,621	3	6,215,272	3
1200	Other receivables		2,663,819	1	1,950,481	1
1220	Current income tax assets	6(32)	7,708	-	1,206	-
130X	Inventories, net	6(4)	18,439,779	9	16,636,055	8
1410	Prepayments		1,986,167	1	1,177,895	1
1470	Other current assets		3,521,107	2	3,487,082	2
11XX	Total current Assets		<u>79,411,842</u>	<u>37</u>	<u>78,136,394</u>	<u>38</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	85,480	-	85,523	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	1,165,909	-	959,827	-
1550	Investments accounted for using equity method	6(6)	8,637,199	4	8,921,641	4
1600	Property, plant and equipment, net	6(7) and 8	29,140,850	14	28,050,374	13
1755	Right-of-use assets	6(8) and 7	77,317,014	36	74,963,001	36
1760	Investment property, net	6(10) and 8	3,079,419	1	2,863,146	1
1780	Intangible assets	6(11)	9,813,940	5	9,958,198	5
1840	Deferred income tax assets	6(32)	2,058,420	1	1,988,030	1
1900	Other non-current assets	6(12) and 8	3,793,962	2	3,567,800	2
15XX	Total non-current assets		<u>135,092,193</u>	<u>63</u>	<u>131,357,540</u>	<u>62</u>
1XXX	Total assets		<u>\$ 214,504,035</u>	<u>100</u>	<u>\$ 209,493,934</u>	<u>100</u>
Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current Liabilities						
2100	Short-term borrowings	6(14)	\$ 5,095,702	2	\$ 4,739,411	2
2110	Short-term notes and bills payable	6(15)	-	-	3,399,147	2
2130	Contract liabilities - current	6(25)	6,652,564	3	5,234,797	2
2150	Notes payable	7	2,027,808	1	1,079,496	1
2170	Accounts payable		23,255,735	11	22,255,284	11
2180	Accounts payable - related parties	7	3,046,035	1	2,801,552	1
2200	Other payables	6(16)	28,885,785	14	25,093,782	12
2230	Current income tax liabilities	6(32)	1,410,650	1	1,647,936	1
2280	Lease liabilities - current	7	14,119,100	7	12,859,557	6
2300	Other current liabilities	6(17)	4,104,639	2	3,588,870	2
21XX	Total current liabilities		<u>88,598,018</u>	<u>42</u>	<u>82,699,832</u>	<u>40</u>
Non-current liabilities						
2527	Contract liabilities - non-current	6(25)	537,183	-	563,834	-
2540	Long-term borrowings	6(18) and 8	963,418	-	1,028,553	1
2570	Deferred income tax liabilities	6(32)	4,923,894	2	5,320,392	3
2580	Lease liabilities - non-current	7	66,918,530	31	65,277,459	31
2640	Net defined benefit liability - non-current	6(19)	4,600,348	2	4,969,892	2
2670	Other non-current liabilities, others	6(20)	5,171,152	3	4,656,273	2
25XX	Total non-current liabilities		<u>83,114,525</u>	<u>38</u>	<u>81,816,403</u>	<u>39</u>
2XXX	Total Liabilities		<u>171,712,543</u>	<u>80</u>	<u>164,516,235</u>	<u>79</u>
Equity attributable to owners of the parent						
Share capital						
3110	Share capital - common stock	6(21)	10,396,223	5	10,396,223	5
Capital surplus						
3200	Capital surplus	6(22)	86,222	-	47,628	-
Retained earnings						
3310	Legal reserve	6(23)	15,379,788	7	14,369,228	7
3320	Special reserve		1,332,621	1	380,187	-
3350	Unappropriated retained earnings		8,889,669	4	12,159,546	6
Other equity						
3400	Other equity interest	6(24)	(1,921,515)	(1)	(1,332,621)	(1)
31XX	Equity attributable to owners of the parent		<u>34,163,008</u>	<u>16</u>	<u>36,020,191</u>	<u>17</u>
36XX	Non-controlling interest	6(34)	8,628,484	4	8,957,508	4
3XXX	Total equity		<u>42,791,492</u>	<u>20</u>	<u>44,977,699</u>	<u>21</u>
3X2X	Total liabilities and equity		<u>\$ 214,504,035</u>	<u>100</u>	<u>\$ 209,493,934</u>	<u>100</u>

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME

(Expressed in thousands of New Taiwan dollars)

Items	Notes	For the year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(25) and 7	\$ 262,735,464	100	\$ 258,494,907	100
5000 Operating costs	6(4)(26) and 7	(174,611,824)	(66)	(170,414,397)	(66)
5900 Gross profit		88,123,640	34	88,080,510	34
Operating expenses	6(26)(27)				
6100 Selling expenses		(68,230,225)	(26)	(66,110,629)	(25)
6200 General and administrative expenses		(9,150,489)	(4)	(9,763,392)	(4)
6450 Expected credit losses	12(2)	(72,995)	-	(61,516)	-
6000 Total operating expenses		(77,453,709)	(30)	(75,935,537)	(29)
6900 Operating profit		10,669,931	4	12,144,973	5
Non-operating income and expenses					
7100 Interest income	6(28)	193,133	-	505,639	-
7010 Other income	6(29)	2,177,981	1	2,044,025	-
7020 Other gains and losses	6(30)	(158,713)	-	13,798	-
7050 Finance costs	6(31)	(1,214,428)	-	(1,321,386)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)	403,791	-	423,407	-
7000 Total non-operating income and expenses		1,401,764	1	1,665,483	-
7900 Profit before income tax		12,071,695	5	13,810,456	5
7950 Income tax expense	6(32)	(2,053,159)	(1)	(2,470,198)	(1)
8000 Profit for the year from continuing operations		10,018,536	4	11,340,258	4
8200 Profit for the year		\$ 10,018,536	4	\$ 11,340,258	4
Other comprehensive income (loss)					
8311 Income (loss) on remeasurements of defined benefit plans	6(19)	\$ 286,740	-	(\$ 212,824)	-
8316 Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(5)	206,082	-	152,712	-
8320 Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(870)	-	(8,377)	-
8349 Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(52,503)	-	50,250	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		439,449	-	(18,239)	-
8361 Financial statements translation differences of foreign operations		(959,375)	-	(1,087,229)	-
8370 Share of other comprehensive loss of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(24)	(8,848)	-	(11,042)	-
8360 Components of other comprehensive loss that will be reclassified to profit or loss		(968,223)	-	(1,098,271)	-
8300 Total other comprehensive loss for the year		(\$ 528,774)	-	(\$ 1,116,510)	-
8500 Total comprehensive income for the year		\$ 9,489,762	4	\$ 10,223,748	4
Profit attributable to:					
8610 Owners of the parent		\$ 8,861,619	4	\$ 10,238,162	4
8620 Non-controlling interests		1,156,917	-	1,102,096	-
		\$ 10,018,536	4	\$ 11,340,258	4
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 8,431,709	4	\$ 9,151,963	4
8720 Non-controlling interests		1,058,053	-	1,071,785	-
		\$ 9,489,762	4	\$ 10,223,748	4
	6(33)				
9750 Basic earnings per share		\$	8.52	\$	9.85
	6(33)				
9850 Diluted earnings per share		\$	8.51	\$	9.83

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Appendix

Consolidated Financial
Statements and
Report of Independent
Accountants

(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent							Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Retained earnings			Other equity interest				
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income			
For the year ended December 31, 2020											
Balance at January 1, 2020		\$ 10,396,223	\$ 46,884	\$ 13,314,081	\$ -	\$ 12,845,880	(\$ 869,908)	\$ 489,721	\$ 36,222,881	\$ 9,004,437	\$ 45,227,318
Profit for the year		-	-	-	-	10,238,162	-	-	10,238,162	1,102,096	11,340,258
Other comprehensive (loss) income for the year	6(24)	-	-	-	-	(133,765)	(1,103,360)	150,926	(1,086,199)	(30,311)	(1,116,510)
Total comprehensive income (loss) for the year		-	-	-	-	10,104,397	(1,103,360)	150,926	9,151,963	1,071,785	10,223,748
Distribution of 2019 earnings											
Legal reserve	6(23)	-	-	1,055,147	-	(1,055,147)	-	-	-	-	-
Special reserve		-	-	-	380,187	(380,187)	-	-	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	(9,356,600)	-	(9,356,600)	-
Non-controlling interest		-	-	-	-	-	-	-	(1,118,714)	(1,118,714)	-
Overdue unclaimed cash dividend transferred to capital surplus		-	744	-	-	-	-	-	744	-	744
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	1,203	-	-	1,203	-	1,203
Balance at December 31, 2020		\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191	\$ 8,957,508	\$ 44,977,699
For the year ended December 31, 2021											
Balance at January 1, 2021		\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191	\$ 8,957,508	\$ 44,977,699
Profit for the year		-	-	-	-	8,861,619	-	-	8,861,619	1,156,917	10,018,536
Other comprehensive (loss) income for the year	6(24)	-	-	-	-	158,984	(803,627)	214,733	(429,910)	(98,864)	(528,774)
Total comprehensive income (loss) for the year		-	-	-	-	9,020,603	(803,627)	214,733	8,431,709	1,058,053	9,489,762
Distribution of 2020 earnings											
Legal reserve	6(23)	-	-	1,010,560	-	(1,010,560)	-	-	-	-	-
Special reserve		-	-	-	952,434	(952,434)	-	-	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	(9,356,600)	-	(9,356,600)	-
Non-controlling interest		-	-	-	-	-	-	-	(1,273,233)	(1,273,233)	-
Overdue unclaimed cash dividend transferred to capital surplus		-	774	-	-	-	-	-	774	-	774
Acquisition of additional equity interest in a subsidiary	6(34)	-	-	-	-	(969,812)	-	(969,812)	(113,844)	(1,083,656)	-
Adjustment of capital surplus due to associates' adjustment of capital surplus		-	57	-	-	-	-	-	57	-	57
Adjustment to capital surplus due to non-proportional investment accounted for using equity method		-	37,763	-	-	-	-	-	37,763	-	37,763
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	(1,074)	-	(1,074)	-	(1,074)	-
Balance at December 31, 2021		\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008	\$ 8,628,484	\$ 42,791,492

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before income tax for the year		\$ 12,071,695	\$ 13,810,456
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value through profit or loss	6(2)	(5,496)	(9,971)
Expected credit losses	12(2)	72,995	61,516
Depreciation expense	6(7)(8)(26)	20,394,732	19,509,685
Amortization expense	6(26)	589,109	562,597
Depreciation on investment property	6(10)(30)	154,640	16,651
Finance costs	6(31)	1,214,428	1,321,386
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(403,791)	(423,407)
Loss (gain) on disposal of property, plant and equipment, net	6(30)	8,861	(20,007)
Gain on disposal of investments property, net	6(30)	(22,549)	(2,682)
Gain from lease modification	6(8)(30)	(110,469)	(79,685)
Interest income	6(28)	(193,133)	(505,639)
Dividend income	6(29)	(82,168)	(61,961)
Reversal of impairment loss on property, plant and equipment	6(7)	-	(472)
Other income recognized from rent concessions	6(8)	(159,576)	(145,297)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		1,449,267	(399,225)
Accounts receivable		(329,027)	(468,308)
Other receivables		(549,171)	(500,212)
Inventories		(1,803,724)	(976,943)
Prepayments		(807,884)	17,824
Other current assets		(34,025)	(518,732)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		1,417,767	1,791,414
Accounts payable		1,244,611	1,469,141
Notes payable		948,312	(135,206)
Other payables		3,805,872	(1,886,144)
Advance receipts		265,212	360,201
Contract liabilities - non-current		(26,651)	115,586
Net defined benefit liabilities		(82,803)	5,461
Cash generated from operations		39,027,034	32,908,027
Interest received		190,145	515,724
Income tax paid		(2,816,338)	(2,571,501)
Interest paid		(1,214,269)	(1,321,410)
Dividend received		797,429	801,451
Net cash provided by operating activities		35,984,001	30,332,291

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for using equity method		(\$ 2,913)	\$ -
Acquisition of subsidiary		(50)	-
Acquisition of property, plant and equipment	6(35)	(8,635,269)	(9,022,473)
Proceeds from disposal of property, plant and equipment		233,247	305,182
Return of capital from financial assets at fair value through profit or loss		1,613	42
Acquisition of investment property	6(10)	(376,092)	-
Proceeds from disposal of investment property	6(10)	38,554	15,423
Increase in guarantee deposits paid		(97,866)	(194,903)
Acquisition of intangible assets	6(11)	(320,844)	(237,485)
Proceeds from business combinations		7,746	-
(Increase) decrease in other non-current assets		(235,887)	220,557
Net cash used in investing activities		(9,387,761)	(8,913,657)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short term borrowings	6(36)	392,899	(1,275,247)
(Decrease) increase in short-term notes and bills payable	6(36)	(3,399,147)	3,399,147
Increase in long-term borrowings	6(36)	574,926	865,130
Repayment of long-term borrowings	6(36)	(330,126)	(275,551)
Payments of lease liabilities	6(8)(36)	(12,530,776)	(11,662,395)
Increase in guarantee deposits received	6(36)	275,571	224,169
Increase (decrease) in other non-current liabilities	6(36)	187,232	(4,415)
Change in non-controlling interests		23,696	(2,012)
Payment of cash dividends - the company	6(23)(36)	(9,356,600)	(9,356,600)
Payment of cash dividends - subsidiaries	6(36)	(1,296,929)	(1,116,702)
Acquisition of additional equity interest in a subsidiary	6(34)	(1,083,656)	-
Net cash flows used in financing activities		(26,542,910)	(19,204,476)
Effect of foreign exchange rate changes on cash and cash equivalents		(967,751)	(1,096,646)
(Decrease) increase in cash and cash equivalents		(914,421)	1,117,512
Cash and cash equivalents at beginning of year		46,562,907	45,445,395
Cash and cash equivalents at end of year		\$ 45,648,486	\$ 46,562,907

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

(1) President Chain Store Corp. (the "Company") was established on June 10, 1987. The main businesses of the Company and its subsidiaries (collectively referred herein as the "Group") are managing convenience stores, restaurants, drugstores, department stores, supermarkets and online shopping stores. Business areas include Taiwan, Mainland China, Philippines and Japan. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997. Details of the Group's main operating activities and segment information are provided in Notes 4 and 14.

(2) The Group's ultimate parent company is Uni-President Enterprises Corp., which holds a 45.4% equity interest in the Company.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on February 24, 2022.

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.

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

Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'

The amendment extends the application period of the practical expedient by one year to cover COVID-19-related rent concessions that reduce only lease payments originally due on or before June 30, 2022, provided that all specified conditions are met. The original amendment covered only lease payments originally due on or before June 30, 2021.

(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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	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

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

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction' The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Group recognises deferred income tax on all deductible and taxable temporary differences on January 1, 2022 related to right-of-use assets, provision for decommissioning liability and the accounts which are associated with, the impact will be adjusted on January 1, 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements, in conformity with IFRSs, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. The basis for preparation of consolidated financial statements is as follows:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Professional investment	92.20	92.20	
The Company	Wisdom Distribution Service Corp.	Logistics and storage of publication and e-commerce	100.00	100.00	
The Company	President Drugstore Business Corp.	Sales of cosmetics, medicine and daily items	100.00	100.00	
The Company	Ren-Hui Investment Corp.	Professional investment	100.00	100.00	
The Company	Capital Marketing Consultant Corp.	Enterprise management consultancy	100.00	100.00	
The Company	President Lanyang Art Corporation	Art and cultural exhibition	100.00	100.00	
The Company	Cold Stone Creamery Taiwan Ltd.	Sales of ice cream	100.00	100.00	
The Company	President Chain Store Corporation Insurance Brokers Co., Ltd.	Insurance brokers	100.00	100.00	
The Company	21 Century Co., Ltd.	Operation of chain restaurants	100.00	100.00	
The Company	President Being Corp.	Sports and entertainment business	100.00	100.00	
The Company	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00	100.00	
The Company	President Chain Store Tokyo Marketing Corp.	Trade and enterprise management consultancy	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing and electronic payment	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Fresh food manufacture	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software services	86.76	86.76	
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	
The Company	Mech-President Corp.	Gas station, installment and maintenance of elevators	80.87	80.87	
The Company	President Pharmaceutical Corp.	Sales of various health care products, cosmetics, and pharmaceuticals	73.74	73.74	
The Company	President Collect Service Corp.	Collection agent	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature logistics and warehousing	60.00	60.00	
The Company	Uni-Wonder Corp.	Coffee chain store	60.00	60.00	
The Company	Duskin Serve Taiwan Co., Ltd.	Cleaning instruments leasing and selling	51.00	51.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
The Company	Books.com. Co., Ltd.	Retail business without shop	50.03	50.03	
The Company	Retail Support International Corp.	Room-temperature logistics and warehousing	25.00	25.00	(a)
The Company	Connection Labs Ltd.	Other software and internet- related	100.00	-	(b)
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Professional investment	100.00	100.00	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	100.00	100.00	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00	20.00	
Uni-President Cold- Chain Corp.	President Logistics International Corp.	Trucking	25.00	25.00	
Uni-President Cold- Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment	100.00	100.00	
Retail Support International Corp.	Retail Support Taiwan Corp.	Room-temperature logistics and warehousing	51.00	51.00	
Retail Support International Corp.	President Logistics International Corp.	Trucking	49.00	49.00	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00	6.00	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Trucking	100.00	100.00	
Mech-President Corp.	Tong Ching Corporation	Gas station	60.00	60.00	
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	
President Pharmaceutical (Hong Kong) Holdings Limited	President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Convenience store	54.88	52.22	(c)
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics, warehousing and retail	100.00	100.00	
Philippine Seven Corporation	Store Sites Holding, Inc.	Professional investment	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	Professional investment	7.80	7.80	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Convenience store	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistics Co., Ltd.	Logistics and warehousing	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Convenience store	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Beauty Wonder (Zhejiang) Trading Co., Ltd.	Sales of cosmetics and medicine	100.00	100.00	
Shanghai President Logistics Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	
Shanghai President Logistics Co., Ltd.	President Logistic ShanDong Co., Ltd.	Logistics and warehousing	100.00	100.00	
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	Professional investment	100.00	100.00	
Ren-Hui Holdings Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Supermarkets	15.00	15.00	

- (a) As the Company controls the financial and operating policies of Retail Support International Corp., the latter is included as a subsidiary in the consolidated financial statements.
 - (b) The Company acquired an additional 70.87% shares of Connection Labs Ltd., in June 2021, having control over it.
 - (c) The Company acquired an additional 2.66% shares of the subsidiary, Philippine Seven Corp., in February and September 2021. Please refer to Note 6(34).
 - 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: None.
- (4) Foreign currency translation
- Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional and the Group’s presentation currency.
- A. Foreign currency transactions and balances
 - (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
 - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
 - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
 - (d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.
 - B. Translation of foreign operations
 - (a) The operating results and financial position of all the subsidiaries, associates and jointly arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
 - (b) When the foreign operation partially disposed of or sold is an associate or jointly arrangements exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or jointly arrangements after losing significant influence over the former foreign associate, or losing joint control of the former jointly arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
 - (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
 - (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within 12 months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within 12 months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations (including time deposits with contract period less than 12 months) are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 recognizes the impairment provision for lifetime ECLs.

(11) Leasing arrangements (Lessor)-operating leases

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

(12) Inventories

A. Inventories are initially recorded at cost. Cost of consolidated entities which manage convenience stores is determined using the retail inventory method while cost of other subsidiaries is determined in accordance with the type of business.

B. Ending inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for using the equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

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

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Investment accounted for using the equity method - joint ventures

The Group accounts for its investment interests in joint ventures using the equity method. Unrealized profits and losses arising from transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are audited, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	3~50 years
Transportation equipment	2~15 years
Operating equipment	2~16 years
Leasehold assets	1~20 years

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

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

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

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate; and
- (c) Amounts expected to be payable by the lessee under residual value guarantees.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 to 50 years.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. License agreement and customer list and other intangible assets

License agreement and customer list acquired in business combination are recognized at fair value at the acquisition date. Other intangible assets are separately acquired trademarks and licenses which are stated at historical cost. The latter has a finite useful life and is amortized on a straight-line basis over its estimated useful life.

(19) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Provisions

The Group's provisions are presented in "Other non-current liabilities". Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they

are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees', directors' and supervisors' remuneration

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

(24) Income tax

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

(25) Revenue recognition**A. Sales of goods**

- (a) The Group operates a chain of retail stores. Revenue from the sale of goods is recognized when the Group sells a product to the customer.
- (b) Payment of the transaction price is due immediately when the customer purchases the product. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a refund liability and a right to the returned goods (included in other current assets) are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns using the expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.
- (c) The Group operates a loyalty program where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

B. Sales of services

The Group provides delivery services. Revenue from delivering services is recognized when the services have been provided.

C. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(26) Business Combination

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has no such assumptions and estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS**(1) Cash and cash equivalents**

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	\$ 1,385,063	\$ 2,049,148
Checking accounts and demand deposits	16,753,260	12,354,395
Cash equivalents		
Time deposits	23,071,796	25,950,720
Short-term financial instruments	4,438,367	6,208,644
	<u>\$ 45,648,486</u>	<u>\$ 46,562,907</u>

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

B. Information about time deposits provided as security for performance guarantees and reclassified as "Other non-current assets – guarantee deposits paid" is provided in Note 8.

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

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss		
Current items:		
Beneficiary certificates	\$ 660,092	\$ 2,105,429
Valuation adjustment	63	67
	<u>\$ 660,155</u>	<u>\$ 2,105,496</u>
Non-current items:		
Unlisted stocks	\$ 241,515	\$ 275,243
Valuation adjustment	(156,035)	(189,720)
	<u>\$ 85,480</u>	<u>\$ 85,523</u>

A. The Group recognized net profit of \$24,170 and \$28,099 in relation to financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

B. No financial assets at fair value through profit or loss of the Group were pledged to others.

C. Information relating to credit risk is provided in Note 12(2).

(3) Accounts receivable

	December 31, 2021	December 31, 2020
Accounts receivable	\$ 6,629,529	\$ 6,322,757
Less: Allowance for doubtful accounts	(144,908)	(107,485)
	<u>\$ 6,484,621</u>	<u>\$ 6,215,272</u>

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

	December 31, 2021	December 31, 2020
Not past due	\$ 6,264,349	\$ 6,228,821
Up to 90 days	358,791	91,138
91 to 180 days	5,211	1,371
181 to 365 days	1,071	223
Over 365 days	107	1,204
	<u>\$ 6,629,529</u>	<u>\$ 6,322,757</u>

The above aging analysis was based on past due date.

B. As of December 31, 2021 and 2020, accounts receivable was all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$5,808,480.

C. As at December 31, 2021, and 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 accounts receivable were \$6,484,621, and \$6,215,272, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 86,325	\$ -	\$ 86,325
Merchandise and finished goods	18,443,602	(90,148)	18,353,454
	<u>\$ 18,529,927</u>	<u>(\$ 90,148)</u>	<u>\$ 18,439,779</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 75,715	\$ -	\$ 75,715
Merchandise and finished goods	16,648,109	(87,769)	16,560,340
	<u>\$ 16,723,824</u>	<u>(\$ 87,769)</u>	<u>\$ 16,636,055</u>

The cost of inventories recognized as expense for the year:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cost of goods sold and service costs	\$ 172,287,708	\$ 168,010,208
Loss on valuation (gain on reversal) of inventories	2,379	(36,772)
Spoilage	1,996,239	2,138,407
Others	325,498	302,554
	<u>\$ 174,611,824</u>	<u>\$ 170,414,397</u>

The Group reversed a previous inventory write-down because the Group sold and scrapped certain inventories which were previously provided with allowance during the year ended December 31, 2020.

(5) Financial assets at fair value through other comprehensive income - non-current

	December 31, 2021	December 31, 2020
Equity instruments		
Listed stocks	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348
	269,954	269,954
Valuation adjustment	895,955	689,873
	<u>\$ 1,165,909</u>	<u>\$ 959,827</u>

A. The Group has elected to classify the listed and unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,165,909 and \$959,827 as at December 31, 2021 and 2020, respectively.

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	\$ 206,082	\$ 152,712
Dividend income recognized in profit or loss	\$ 63,494	\$ 43,833

C. As at December 31, 2021 and 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 fair value through other comprehensive income held by the Group was \$1,165,909 and \$959,827, respectively.

D. No financial assets at fair value through other comprehensive income of the Group were pledged to others.

E. Information relating to credit risk is provided in Note 12(2).

(6) Investments accounted for using the equity method

	December 31, 2021	December 31, 2020
<u>Associates</u>		
PresiCarre Corp.	\$ 5,077,087	\$ 5,434,309
President Fair Development Corp.	2,123,492	2,084,800
Uni-President Development Corp.	757,554	757,759
President International Development Corp.	447,310	445,096
Tung Ho Development Corp.	60,012	33,133
Uni-President Organics Corp.	47,293	42,447
President Technology Corp.	26,723	25,543
	<u>8,539,471</u>	<u>8,823,087</u>
<u>Joint ventures</u>		
Mister Donut Taiwan Co., Ltd.	\$ 97,728	\$ 98,554
	<u>\$ 8,637,199</u>	<u>\$ 8,921,641</u>

The investments in associates or joint ventures are not significant to the Group. The details of the Group's share of the operating results in the aforementioned investments are as follows:

A. The Group's share of the operating results in all individually immaterial associates is summarized below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Profit for the year from continuing operations	\$ 394,430	\$ 412,893
Other comprehensive loss-net of tax	(9,661)	(20,161)
Total comprehensive income	<u>\$ 384,769</u>	<u>\$ 392,732</u>

B. The Group's share of the operating results in all individually immaterial joint ventures is summarized below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Profit for the year from continuing operations	\$ 9,361	\$ 10,514
Other comprehensive (loss) income-net of tax	(57)	742
Total comprehensive income	<u>\$ 9,304</u>	<u>\$ 11,256</u>

(7) Property, plant and equipment

A. The details of property, plant and equipment are as follows:

	2021						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,927,827	\$ 4,891,097	\$ 6,993,321	\$ 24,307,493	\$ 20,386,864	\$ 11,989,504	\$ 71,496,106
Accumulated depreciation and impairment	(16,367)	(2,461,641)	(4,811,241)	(15,151,390)	(13,136,753)	(7,868,340)	(43,445,732)
	<u>\$ 2,911,460</u>	<u>\$ 2,429,456</u>	<u>\$ 2,182,080</u>	<u>\$ 9,156,103</u>	<u>\$ 7,250,111</u>	<u>\$ 4,121,164</u>	<u>\$ 28,050,374</u>
Opening net book amount as of January 1	\$ 2,911,460	\$ 2,429,456	\$ 2,182,080	\$ 9,156,103	\$ 7,250,111	\$ 4,121,164	\$ 28,050,374
Additions	-	20,153	408,514	3,654,785	2,845,819	1,736,851	8,666,122
Acquired through business combinations	-	-	-	1,644	-	-	1,644
Disposals	(4,199)	(2,080)	(21,871)	(30,163)	(181,788)	(2,007)	(242,108)
Transfer	(10,201)	2,578	270,932	279,616	90,223	(692,218)	(59,070)
Depreciation charge	-	(191,952)	(506,596)	(2,788,617)	(2,172,474)	(1,324,740)	(6,984,379)
Net exchange differences	(2,000)	(1,850)	(1,640)	(1,156)	(87,044)	(198,043)	(291,733)
Closing net book amount as of December 31	<u>\$ 2,895,060</u>	<u>\$ 2,256,305</u>	<u>\$ 2,331,419</u>	<u>\$ 10,272,212</u>	<u>\$ 7,744,847</u>	<u>\$ 3,641,007</u>	<u>\$ 29,140,850</u>
At December 31							
Cost	\$ 2,898,992	\$ 4,895,812	\$ 7,436,663	\$ 26,507,703	\$ 21,860,526	\$ 11,730,544	\$ 75,330,240
Accumulated depreciation and impairment	(3,932)	(2,639,507)	(5,105,244)	(16,235,491)	(14,115,679)	(8,089,537)	(46,189,390)
	<u>\$ 2,895,060</u>	<u>\$ 2,256,305</u>	<u>\$ 2,331,419</u>	<u>\$ 10,272,212</u>	<u>\$ 7,744,847</u>	<u>\$ 3,641,007</u>	<u>\$ 29,140,850</u>
	2020						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,254,656	\$ 4,788,540	\$ 6,648,230	\$ 22,280,204	\$ 19,092,068	\$ 10,972,281	\$ 66,035,979
Accumulated depreciation and impairment	(16,367)	(2,182,810)	(4,554,359)	(14,479,044)	(12,277,549)	(6,507,528)	(40,017,657)
	<u>\$ 2,238,289</u>	<u>\$ 2,605,730</u>	<u>\$ 2,093,871</u>	<u>\$ 7,801,160</u>	<u>\$ 6,814,519</u>	<u>\$ 4,464,753</u>	<u>\$ 26,018,322</u>
Opening net book amount as of January 1	\$ 2,238,289	\$ 2,605,730	\$ 2,093,871	\$ 7,801,160	\$ 6,814,519	\$ 4,464,753	\$ 26,018,322
Additions	30,208	3,505	399,892	3,555,715	2,640,668	2,383,234	9,013,222
Disposals	-	-	(11,966)	(48,810)	(205,003)	(19,396)	(285,175)
Transfer	642,919	15,877	205,574	226,926	154,922	(1,216,570)	29,648
Depreciation charge	-	(197,413)	(505,873)	(2,386,188)	(2,158,340)	(1,497,013)	(6,744,827)
Reversal of impairment loss	-	-	-	472	-	-	472
Net exchange differences	44	1,757	582	6,828	3,345	6,156	18,712
Closing net book amount as of December 31	<u>\$ 2,911,460</u>	<u>\$ 2,429,456</u>	<u>\$ 2,182,080</u>	<u>\$ 9,156,103</u>	<u>\$ 7,250,111</u>	<u>\$ 4,121,164</u>	<u>\$ 28,050,374</u>
At December 31							
Cost	\$ 2,927,827	\$ 4,891,097	\$ 6,993,321	\$ 24,307,493	\$ 20,386,864	\$ 11,989,504	\$ 71,496,106
Accumulated depreciation and impairment	(16,367)	(2,461,641)	(4,811,241)	(15,151,390)	(13,136,753)	(7,868,340)	(43,445,732)
	<u>\$ 2,911,460</u>	<u>\$ 2,429,456</u>	<u>\$ 2,182,080</u>	<u>\$ 9,156,103</u>	<u>\$ 7,250,111</u>	<u>\$ 4,121,164</u>	<u>\$ 28,050,374</u>

B. Impairment information about the property, plant and equipment is provided in Note 6(13).

C. Information about the property, plant and equipment pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements – lessee

A. The Group leases various assets including land, buildings, transportation equipment, etc. Rental contracts are typically made for periods of 1 to 60 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	\$ 872,178	\$ 856,263
Buildings	76,378,170	73,986,497
Machinery and equipment	13,168	38,785
Other equipment	53,498	81,456
	<u>\$ 77,317,014</u>	<u>\$ 74,963,001</u>

	For the year ended December 31, 2021	For the year ended December 31, 2020
	Depreciation charge	Depreciation charge
Land	\$ 145,825	\$ 143,006
Buildings	13,209,015	12,558,865
Machinery and equipment	18,836	33,426
Other equipment	36,677	29,561
	<u>\$ 13,410,353</u>	<u>\$ 12,764,858</u>

C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$18,585,257 and \$23,424,064, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,058,881	\$ 1,143,668
Expense on short-term lease contracts	377,509	403,729
Expense on leases of low-value assets	118,439	70,905
Expense on variable lease payments	433,512	536,597
Gain on sublease of right-of-use assets	517,284	540,712
Gain from lease modification	110,469	79,685

E. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases was \$14,519,117 and \$13,817,294, respectively

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or department store counter. For the above-mentioned stores, approximately 2.82% and 3.60% as at December 31, 2021 and 2020, respectively, are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$4,335 and \$5,366 for the years ended December 31, 2021 and 2020, respectively.

G. The Group's leases not yet commenced to which the lessee is committed are business premises for the lessees, and the lease liabilities undiscounted as at December 31, 2021 and 2020, amounted to \$3,635,849 and \$2,773,378, respectively.

H. The Group has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$159,576 and \$145,297, as at other income for the years ended December 31, 2021 and 2020, respectively.

(9) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings, machinery and equipment, etc. Rental contracts are typically made for periods of 1 and 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Rental revenue	\$ 1,431,017	\$ 1,590,065
Rental revenue from variable lease payments	\$ 1,066,192	\$ 1,167,643

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

	December 31, 2021	December 31, 2020
Within 1 year	\$ 251,736	\$ 275,631
1~2 years	171,188	211,129
2~3 years	87,998	145,147
3~4 years	71,486	71,577
4~5 years	51,267	59,022
Over 5 years	107,555	135,472
	\$ 741,230	\$ 897,978

(10) Investment property

	2021			
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,074,308	\$ 403,098	\$ 1,385,740	\$ 2,863,146
Additions	325,221	50,871	-	376,092
Disposals	(9,119)	(6,886)	-	(16,005)
Transfer	10,201	625	-	10,826
Depreciation charge	-	(16,066)	(138,574)	(154,640)
At December 31	\$ 1,400,611	\$ 431,642	\$ 1,247,166	\$ 3,079,419

	2020			
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,078,295	\$ 428,503	\$ -	\$ 1,506,798
Disposals	(3,987)	(8,754)	-	(12,741)
Transfer	-	-	1,385,740	1,385,740
Depreciation charge	-	(16,651)	-	(16,651)
At December 31	\$ 1,074,308	\$ 403,098	\$ 1,385,740	\$ 2,863,146

A. The fair value of the investment property held by the Group ranged from \$5,397,467 to \$5,838,730 as at December 31, 2021 and 2020, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers. Valuations were made using the comparison approach and income approach which is categorized within level 3 in the fair value hierarchy. Key assumptions are discount rates between 0.8% to 2.41% and growth rate of 3%.

B. Information on investment property pledged to others as collateral is provided in Note 8.

(11) Intangible assets

	2021				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	\$ 2,038,224	\$ 2,200,153	\$ 7,524,890	\$ 540,225	\$ 12,303,492
Accumulated amortization and impairment	(1,576,683)	-	(582,478)	(186,133)	(2,345,294)
	<u>\$ 461,541</u>	<u>\$ 2,200,153</u>	<u>\$ 6,942,412</u>	<u>\$ 354,092</u>	<u>\$ 9,958,198</u>
Opening net book amount as of January 1	\$ 461,541	\$ 2,200,153	\$ 6,942,412	\$ 354,092	\$ 9,958,198
Additions	306,208	-	-	14,636	320,844
Acquired through business combinations	3,792	-	-	-	3,792
Transfer	7,567	-	-	11,370	18,937
Amortization expense	(232,303)	-	(194,159)	(54,756)	(481,218)
Net exchange differences	(5,134)	(1,479)	-	-	(6,613)
Closing net book amount as of December 31	<u>\$ 541,671</u>	<u>\$ 2,198,674</u>	<u>\$ 6,748,253</u>	<u>\$ 325,342</u>	<u>\$ 9,813,940</u>
At December 31					
Cost	\$ 2,325,904	\$ 2,198,674	\$ 7,524,890	\$ 565,251	\$ 12,614,719
Accumulated amortization and impairment	(1,784,233)	-	(776,637)	(239,909)	(2,800,779)
	<u>\$ 541,671</u>	<u>\$ 2,198,674</u>	<u>\$ 6,748,253</u>	<u>\$ 325,342</u>	<u>\$ 9,813,940</u>
	2020				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	\$ 1,853,119	\$ 2,202,925	\$ 7,524,890	\$ 493,171	\$ 12,074,105
Accumulated amortization and impairment	(1,375,833)	-	(388,319)	(138,511)	(1,902,663)
	<u>\$ 477,286</u>	<u>\$ 2,202,925</u>	<u>\$ 7,136,571</u>	<u>\$ 354,660</u>	<u>\$ 10,171,442</u>
Opening net book amount as of January 1	\$ 477,286	\$ 2,202,925	\$ 7,136,571	\$ 354,660	\$ 10,171,442
Additions	190,250	-	-	47,235	237,485
Transfer	6,625	-	-	(183)	6,442
Amortization expense	(212,046)	-	(194,159)	(50,027)	(456,232)
Net exchange differences	(574)	(2,772)	-	2,407	(939)
Closing net book amount as of December 31	<u>\$ 461,541</u>	<u>\$ 2,200,153</u>	<u>\$ 6,942,412</u>	<u>\$ 354,092</u>	<u>\$ 9,958,198</u>
At December 31					
Cost	\$ 2,038,224	\$ 2,200,153	\$ 7,524,890	\$ 540,225	\$ 12,303,492
Accumulated amortization and impairment	(1,576,683)	-	(582,478)	(186,133)	(2,345,294)
	<u>\$ 461,541</u>	<u>\$ 2,200,153</u>	<u>\$ 6,942,412</u>	<u>\$ 354,092</u>	<u>\$ 9,958,198</u>

Amortization expense on intangible assets are recognized as operating expenses.

(12) Other non-current assets

	December 31, 2021	December 31, 2020
Guarantee deposits paid	\$ 3,204,856	\$ 3,106,790
Others	589,106	461,010
	<u>\$ 3,793,962</u>	<u>\$ 3,567,800</u>

(13) Impairment of non-financial assets

A. The Group recognized reversal of impairment loss for the years ended December 31, 2021 and 2020 amounting to \$0 and \$472, respectively. Details of such gain are as follows:

	For the year ended December 31, 2021		For the year ended December 31, 2020	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
Reversal of impairment loss				
Property, plant and equipment	\$ -	\$ -	\$ 472	\$ -

B. The Group performs impairment testing annually. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are as follows:

- (a) Discount rate: Estimated based on weighted average cost of funds. The discount rate for the years ended December 31, 2021 and 2020 were 6.66% to 14.06%.
- (b) Future value growth rate: Refer to the past long-term average economic growth rate of mature economies and long-term price index growth rate and market competition. The future value growth rate for the years ended December 31, 2021 and 2020 was 1%.

Management determined budgeted gross margin and operating profit margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflected specific risks relating to the relevant operating segments.

(14) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 5,095,702	0.38%~3.465%	None

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 4,739,411	0.49%~4.875%	None

There was no capitalization of borrowing costs for the years ended December 31, 2021 and 2020. Relevant interest expense on borrowings is recognized as "finance costs".

(15) Short-term notes and bills payable

	December 31, 2020	Pledged or secured
Commercial papers payable	\$ 3,400,000	Please refer to the below for details
Less: Unamortized discount	(853)	
	\$ 3,399,147	
Interest rate range	0.408%	

A. There was no commercial papers payable at December 31, 2021.

B. The above commercial papers were issued and secured by Sumitomo Mitsui Banking Corporation and International Bills Finance Corporation for short-term financing.

(16) Other payables

	December 31, 2021	December 31, 2020
Store collections	\$ 13,807,553	\$ 10,519,829
Wages, salaries and bonus payable	4,863,210	4,958,514
Sales receipt on behalf of others	1,845,686	1,617,261
Payables for acquisition of property, plant and equipment	1,385,972	1,355,119
Incentive bonus payable to franchisees	1,017,454	934,922
Employees' compensation and remuneration for directors and supervisors	748,684	852,461
Payables for labor and health insurance	283,912	252,313
Rent payable	82,287	62,477
Others	4,851,027	4,540,886
	<u>\$ 28,885,785</u>	<u>\$ 25,093,782</u>

(17) Other current liabilities

	December 31, 2021	December 31, 2020
Advance receipts of deposits	\$ 1,685,635	\$ 1,474,937
Advance receipts for gift certificates	1,476,380	1,489,185
Current portion of long-term liabilities	534,666	291,575
Others	407,958	333,173
	<u>\$ 4,104,639</u>	<u>\$ 3,588,870</u>

(18) Long-term borrowings

Type of borrowings	Interest rate range	Collateral	December 31, 2021
Long-term bank borrowings			
Credit loan	3.875%~5.30%	None	\$ 864,036
Secured borrowings	1.46%~1.72%	Property, plant and equipment	634,048
			<u>1,498,084</u>
Less: Current portion			(534,666)
			<u>\$ 963,418</u>

Type of borrowings	Interest rate range	Collateral	December 31, 2020
Long-term bank borrowings			
Credit loan	3.875%~5.30%	None	\$ 790,662
Secured borrowings	1.49%~1.75%	Property, plant and equipment	529,466
			<u>1,320,128</u>
Less: Current portion			(291,575)
			<u>\$ 1,028,553</u>

There was no capitalization of borrowing costs for the years ended December 31, 2021 and 2020. Relevant interest expense on borrowings is recognized as "finance costs".

(19)Pensions

A. The Company and its domestic subsidiaries operate a defined benefit pension plan, in accordance with the Labor Standards Law, which covers all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards 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 six months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~8% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March. Furthermore, the subsidiary, Philippine Seven Corporation has a defined benefit pension plan.

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

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	(\$ 7,426,014)	(\$ 7,853,594)
Fair value of plan assets	2,825,666	2,883,702
Net defined benefit liability	(\$ 4,600,348)	(\$ 4,969,892)

(b) Movements in net defined benefit liabilities are as follows:

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 7,853,594)	\$ 2,883,703	(\$ 4,969,891)
Current service cost	(88,647)	-	(88,647)
Interest (expense) income	(34,963)	11,364	(23,599)
Past service cost	3,284	-	3,284
	(7,973,920)	2,895,067	(5,078,853)
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	40,166	40,166
Change in demographic assumptions	(24,398)	-	(24,398)
Change in financial assumptions	260,495	-	260,495
Experience adjustments	10,477	-	10,477
	246,574	40,166	286,740
Pension fund contribution	-	179,734	179,734
Paid pension	301,332	(289,301)	12,031
	301,332	(109,567)	191,765
At December 31	(\$ 7,426,014)	\$ 2,825,666	(\$ 4,600,348)

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 7,647,265)	\$ 2,895,658	(\$ 4,751,607)
Current service cost	(84,691)	-	(84,691)
Interest (expense) income	(68,304)	24,364	(43,940)
Past service cost	508	-	508
	(7,799,752)	2,920,022	(4,879,730)
Remeasurements:			
Return on plan assets (not including the amount included in interest income or expense)	-	98,968	98,968
Change in demographic assumptions	(5,424)	-	(5,424)
Change in financial assumptions	(433,716)	-	(433,716)
Experience adjustments	127,348	-	127,348
	(311,792)	98,968	(212,824)
Pension fund contribution	-	105,239	105,239
Paid pension	257,950	(240,527)	17,423
	257,950	(135,288)	122,662
At December 31	(\$ 7,853,594)	\$ 2,883,702	(\$ 4,969,892)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). Relating condition of execution is supervised by Labor Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Discount rate	0.55%~4.95%	0.30%~3.83%
Future salary increases	2.00%~5.50%	2.00%~5.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 207,068)	\$ 216,274	\$ 212,459	(\$ 203,474)
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 232,413)	\$ 243,844	\$ 237,276	(\$ 225,935)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once.

The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

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

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to \$211,803.

(f) As of December 31, 2021, the weighted average duration of the retirement plan is 8~23 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	194,235
1-2 year(s)		223,463
2-5 years		904,813
Over 5 years		12,198,787
	<u>\$</u>	<u>13,521,298</u>

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

(a) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2021 and 2020 were 14%~20%. Other than the monthly contributions, the Group has no further obligations.

(b) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$994,271 and \$935,670, respectively.

(20) Other non-current liabilities

	December 31, 2021	December 31, 2020
Guarantee deposit received	\$ 4,044,359	\$ 3,784,654
Provision for decommissioning liability	644,347	576,406
Others	482,446	295,213
	<u>\$ 5,171,152</u>	<u>\$ 4,656,273</u>

(21) Share capital

As of December 31, 2021, the Company's authorized capital was \$10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 as of December 31, 2021 and January 1, 2021.

(22) Capital surplus

In accordance with the Company Act of the Republic of China, any capital surplus arising from paid-in capital in excess of the 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 Securities and Exchange Law of the Republic of China requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(23) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as a legal reserve. The Company may then set aside or reserve a certain amount as special reserve according to the relevant regulations. The appropriation of the remaining earnings and prior years' unappropriated retained earnings should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%~100% of the total distributable amount, and 50%~100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.
- 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 the 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. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2020 and 2019 were resolved by the shareholders on July 16, 2021 and June 17, 2020, respectively, as follows:

	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,010,560		\$ 1,055,147	
Special reserve appropriated	952,434		380,187	
Cash dividends	9,356,600	\$ 9.00	9,356,600	\$ 9.00

- E. The appropriations for 2021 as resolved by the Board of Directors on February 24, 2022 is as follows:

	2021	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 804,972	
Special reserve appropriated	588,894	
Cash dividends - Retained earnings	7,495,676	\$ 7.21
Cash dividends - Legal reserve	1,860,924	1.79

(24) Other equity items

	2021		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)
Revaluation and transfer	-	-	
– Group	-	206,082	206,082
– Associates	-	1,556	1,556
Revaluation-tax	-	7,095	7,095
Currency translation differences:	-	-	
– Group	(795,251)	-	(795,251)
– Associates	(8,376)	-	(8,376)
At December 31	(\$ 2,776,895)	\$ 855,380	(\$ 1,921,515)

Consolidated Financial
Statements and
Report of Independent
Accountants

	2020		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 869,908)	\$ 489,721	(\$ 380,187)
Revaluation and transfer			
– Group	-	152,712	152,712
– Associates	-	(4,251)	(4,251)
Revaluation-tax	-	2,465	2,465
Currency translation differences:			
– Group	(1,093,943)	-	(1,093,943)
– Associates	(9,417)	-	(9,417)
At December 31	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)

(25) Operating revenue

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers	\$ 262,735,464	\$ 258,494,907

A. Disaggregation of revenue from contracts with customers

The Group operates a chain of retail stores and derives revenue from the transfer of goods and services overtime and at a point in time. The operating revenue is categorized based on operating departments provided in Note 14(3) and goods or services recognition timing as follows:

For the year ended December 31, 2021	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 165,961,515	\$ 58,640,244	\$ 13,782	\$ 19,675,502	\$ 244,291,043
– Over time	828,460	14,476,538	2,100,732	1,038,691	18,444,421
	\$ 166,789,975	\$ 73,116,782	\$ 2,114,514	\$ 20,714,193	\$ 262,735,464
For the year ended December 31, 2020	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 166,515,823	\$ 55,554,382	\$ 722,964	\$ 19,276,942	\$ 242,070,111
– Over time	823,854	13,401,530	1,393,560	805,852	16,424,796
	\$ 167,339,677	\$ 68,955,912	\$ 2,116,524	\$ 20,082,794	\$ 258,494,907

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities – advance receipts of gift certificates and gift payments	\$ 4,599,304	\$ 3,430,999	\$ 1,786,894
Contract liabilities – customer loyalty programs	977,909	807,168	503,861
Contract liabilities – members' deposits	843,002	804,373	793,115
Contract liabilities – franchise fee	405,485	429,578	444,470
Contract liabilities – others	364,047	326,513	363,291
	\$ 7,189,747	\$ 5,798,631	\$ 3,891,631

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$3,763,871 and \$2,461,515 for the years ended December 31, 2021 and 2020, respectively.

(26) Expenses by nature

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net cost of goods sold	\$ 154,252,629	\$ 151,820,619
Employee benefit expenses	25,824,995	25,784,678
Incentive bonuses for franchisees	22,365,078	22,732,406
Depreciation and amortization	20,983,841	20,072,282
Utilities expenses	4,506,578	4,175,339
Operating lease payments	929,460	1,011,231
Other costs and expenses	23,202,952	20,753,379
Total operating costs and operating expenses	\$ 252,065,533	\$ 246,349,934

(27) Employee benefit expense

	For the year ended December 31, 2021	For the year ended December 31, 2020
Wages and salaries	\$ 21,053,234	\$ 21,271,792
Labor and health insurance fees	2,140,642	1,928,195
Pension costs	1,103,233	1,063,793
Other personnel expenses	1,527,886	1,520,898
	\$ 25,824,995	\$ 25,784,678

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$455,764 and \$543,617, respectively; while directors' and supervisors' remuneration was accrued at \$152,269 and \$181,620, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46% of distributable profit of the current year for the year ended December 31, 2021, respectively. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$455,764 and \$152,269 and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2020 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2020 financial statements and the employee's compensation will be distributed in form of cash.

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

(28) Interest income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income	\$ 193,133	\$ 505,639

(29) Other income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Grants income	\$ 706,712	\$ 685,082
Rental revenue	289,421	349,865
Dividend income	82,168	61,961
Other income recognized from rent concessions	159,576	145,297
Others	940,104	801,820
	\$ 2,177,981	\$ 2,044,025

(30) Other gains and losses

	For the year ended December 31, 2021	For the year ended December 31, 2020
Depreciation of investment property	(\$ 154,640)	(\$ 16,651)
Gain from lease modification	110,469	79,685
Gain on disposal of investment property	22,549	2,682
(Loss) gain on disposal of property, plant and equipment	(8,861)	20,007
Reversal of impairment loss on property, plant and equipment	-	472
Other gains and losses	(128,230)	(72,397)
	<u>(\$ 158,713)</u>	<u>\$ 13,798</u>

(31) Finance costs

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest expense on lease liabilities	\$ 1,058,881	\$ 1,143,668
Financial expense, others	155,547	177,718
	<u>\$ 1,214,428</u>	<u>\$ 1,321,386</u>

(32) Income tax**A. Income tax expense****(a) Components of income tax expense:**

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current tax:		
Current tax on profit for the year	\$ 2,608,392	\$ 3,012,757
Over provision of prior year's income tax	(35,842)	(204,859)
Total current tax	<u>2,572,550</u>	<u>2,807,898</u>
Deferred tax:		
Origination and reversal of temporary differences	(519,391)	(337,700)
Income tax expense	<u>\$ 2,053,159</u>	<u>\$ 2,470,198</u>

(b) The income tax charge relating to the components of other comprehensive income is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Remeasurement of defined benefit obligations	\$ 59,598	(\$ 47,785)
Changes in fair value of financial assets at fair value through other comprehensive income	(7,095)	(2,465)
	<u>\$ 52,503</u>	<u>(\$ 50,250)</u>

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2021	For the year ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	\$ 3,042,067	\$ 3,360,438
Expenses disallowed by tax regulation	(950,210)	(680,627)
Over provision of prior year's income tax	(35,842)	(204,859)
Effect from investment tax credits	(4,482)	-
Separate taxation	1,626	-
Effect from tax losses	-	(4,754)
Income tax expense	<u>\$ 2,053,159</u>	<u>\$ 2,470,198</u>

The difference between the Group's accounting income and taxable income in 2021 and 2020 was mainly due to the dividend income, investment tax credits and the operating loss of subsidiaries.

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

	2021			
	January 1	Recongized in profit of loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 29,906	(\$ 1,133)	\$ -	\$ 28,773
Unrealized sales allowance	8,021	138	-	8,159
Loss on inventory market value decline	24,921	169	-	25,090
Unrealized expenses	733,670	99,090	-	832,760
Book-tax difference of pension	146,354	(2,588)	-	143,766
Remeasurements of the defined benefit plan	853,002	-	(59,598)	793,404
Others	192,156	34,312	-	226,468
	1,988,030	129,988	(59,598)	2,058,420
<u>Deferred tax liabilities</u>				
Unrealized gain	(1,427,684)	35,239	7,095	(1,385,350)
Foreign investment income	(3,892,708)	354,164	-	(3,538,544)
	(5,320,392)	389,403	7,095	(4,923,894)
	(\$ 3,332,362)	\$ 519,391	(\$ 52,503)	(\$ 2,865,474)

	2020			
	January 1	Recongized in profit of loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 14,102	\$ 15,804	\$ -	\$ 29,906
Unrealized sales allowance	8,469	(448)	-	8,021
Loss on inventory market value decline	31,536	(6,615)	-	24,921
Unrealized expenses	716,042	17,628	-	733,670
Book-tax difference of pension	148,609	(2,255)	-	146,354
Remeasurements of the defined benefit plan	805,217	-	47,785	853,002
Tax losses	36,277	(36,277)	-	-
Others	99,965	92,191	-	192,156
	1,860,217	80,028	47,785	1,988,030
<u>Deferred tax liabilities</u>				
Unrealized gain	(1,467,326)	37,177	2,465	(1,427,684)
Foreign investment income	(4,113,203)	220,495	-	(3,892,708)
	(5,580,529)	257,672	2,465	(5,320,392)
	(\$ 3,720,312)	\$ 337,700	\$ 50,250	(\$ 3,332,362)

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed assessed	Unused amount	Unrecognized deferred tax assets	Usable until
2012~2021	\$ 2,288,469	\$ 2,288,469	\$ 2,288,469	2022~2031

December 31, 2020				
Year incurred	Amount filed assessed	Unused amount	Unrecognized deferred tax assets	Usable until
2011~2020	\$ 1,696,659	\$ 1,696,659	\$ 1,696,659	2021~2030

E. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	\$ 48,415	\$ 30,132

F. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(33) Earnings per share

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 8,861,619	1,039,622	\$ 8.52
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 8,861,619	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,004	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 8,861,619	1,041,626	\$ 8.51
For the year ended December 31, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,238,162	1,039,622	\$ 9.85
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,238,162	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,358	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 10,238,162	1,041,980	\$ 9.83

(34) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

For the year ended December 31, 2021, the Group acquired an additional 2.66% shares of the subsidiary, Philippine Seven Corp., for a total cash consideration of \$1,083,656. The carrying amount of non-controlling interest was \$113,844 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$113,844, and a decrease in the equity attributable to owners of the parent by \$969,812. The effect of changes in interests in Philippine Seven Corp. on the equity attributable to owners of the parent for the year ended December 31, 2021 is as follows:

	For the year ended December 31, 2021
Carrying amount of non-controlling interest acquired	\$ 113,844
Consideration paid to non-controlling interest	(1,083,656)
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount (Decrease in "Retained earnings")	(\$ 969,812)

B. The Group did not conduct any transaction with non-controlling interest for the year ended December 31, 2020.

(35) Supplemental cash flow information

Investing activities with partial cash payments

	For the year ended December 31, 2021	For the year ended December 31, 2020
Purchase of property, plant and equipment	\$ 8,666,122	\$ 9,013,222
Add: Opening balance of payable on equipment	1,355,119	1,364,370
Less: Ending balance of payable on equipment	(1,385,972)	(1,355,119)
Cash paid during the year	\$ 8,635,269	\$ 9,022,473

(36) Changes in liabilities from financing activities

	2021							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 4,739,411	\$ 3,399,147	\$ -	\$ 1,028,553	\$ 78,137,016	\$ 3,784,654	\$ 871,619	\$ 91,960,400
Changes in cash flow from financing activities	392,899	(3,399,147)	(10,653,529)	244,800	(12,530,776)	275,571	187,232	(25,482,950)
Interest paid (Note)	-	-	-	-	(1,058,881)	-	-	(1,058,881)
Impact of changes in foreign exchange rate	(41,608)	-	-	(54,729)	(450,451)	(15,917)	-	(562,705)
Changes in other non-cash items	5,000	-	10,653,529	(255,206)	16,940,722	51	67,942	27,412,038
At December 31	\$ 5,095,702	\$ -	\$ -	\$ 963,418	\$ 81,037,630	\$ 4,044,359	\$ 1,126,793	\$ 92,267,902

	2020							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 6,014,658	\$ -	\$ -	\$ 508,112	\$ 68,827,038	\$ 3,560,485	\$ 808,335	\$ 79,718,628
Changes in cash flow from financing activities	(1,275,247)	3,399,147	(10,473,302)	589,579	(11,662,395)	224,169	(4,415)	(19,202,464)
Interest paid (Note)	-	-	-	-	(1,143,668)	-	-	(1,143,668)
Impact of changes in foreign exchange rate	-	-	-	371	(44,501)	-	-	(44,130)
Changes in other non-cash items	-	-	10,473,302	(69,509)	22,160,542	-	67,699	32,632,034
At December 31	\$ 4,739,411	\$ 3,399,147	\$ -	\$ 1,028,553	\$ 78,137,016	\$ 3,784,654	\$ 871,619	\$ 91,960,400

Note: Presented in cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS**(1) Parent and ultimate controlling party**

The Company's parent company and the Group's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of December 31, 2021.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Uni-President Enterprises Corp.	Ultimate parent company
Mister Donut Taiwan Co., Ltd.	Investee of the Company accounted for using the equity method
Presicarre Corp.	"
Uni-President Organics Corp.	"
President Technology Corp.	"
President Fair Development Corp.	"
Uni-President Development Corp.	"
Presco Netmarketing Inc.	Subsidiary of ultimate parent company
President (Kunshan) Trading Co., Ltd.	"
Tait Marketing & Distribution Co., Ltd.	"
President Packaging Industrial Corp.	"
President Tokyo Corp.	"
President Natural Industrial Corp.	"
Shanghai Songjiang President Enterprises Co., Ltd.	"
Kai Ya Food Co., Ltd.	Sub-subsidiary of ultimate parent company
Tung Ang Enterprises Corp.	"
Lien Bo Corp.	"
Zhenzhou President Enterprises Co., Ltd.	"
Uni-President (Philippines) Corp.	"
Kuang Chuan Dairy Co., Ltd.	Investee of ultimate parent company accounted for using the equity method
Wei Lih Food Industrial Co., Ltd.	"
Master Channels Corporation	"
Prince Housing Development Corp.	"
Tong Zhan Corporation Ltd.	Investees of subsidiaries of ultimate parent company accounted for using the equity method
Koasa Yamako Corp.	The Company is a director of Koasa Yamako Corp.
Kao Chuan Investment Co., Ltd.	Director of ultimate parent company

(3) Significant related party transactions and balances**A. Operating revenue**

	For the year ended December 31, 2021	For the year ended December 31, 2020
<u>Sales of goods</u>		
Ultimate parent company	\$ 580,856	\$ 583,442
Associates	142,495	135,225
Sister companies	399,612	329,736
Other related parties	65,075	59,721
<u>Sales of services</u>		
Ultimate parent company	18,392	18,593
Associates	103,168	55,728
Sister companies	19,791	16,239
Other related parties	5,829	4,526
	<u>\$ 1,335,218</u>	<u>\$ 1,203,210</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ultimate parent company	\$ 16,588,820	\$ 16,738,312
Associates	503,376	226,563
Sister companies	5,960,397	5,334,662
Other related parties	1,912,283	2,197,251
	<u>\$ 24,964,876</u>	<u>\$ 24,496,788</u>

Goods and services are purchased from related parties on normal commercial terms and conditions.
C. Receivables from related parties

	December 31, 2021	December 31, 2020
<u>Accounts receivable</u>		
Ultimate parent company	\$ 235,402	\$ 232,286
Associates	75,122	60,516
Sister companies	103,812	96,824
Other related parties	4,065	4,435
	<u>\$ 418,401</u>	<u>\$ 394,061</u>

Receivables from related parties arise mainly from sales transactions. Receivables are unsecured in nature and are non-interest bearing. There are no provisions for receivables from related parties.

D. Payables to related parties

	December 31, 2021	December 31, 2020
<u>Notes payable and accounts payable</u>		
Ultimate parent company	\$ 1,904,475	\$ 1,850,470
Associates	191,718	58,443
Sister companies	722,538	634,707
Other related parties	358,245	321,798
	<u>\$ 3,176,976</u>	<u>\$ 2,865,418</u>

Payables to related parties arise mainly from purchase transactions. Payables bear no interest.

E. Leasing arrangements – lessee

(a) The Group holds various lease agreements with related parties based on the market price. The leases were paid on a monthly basis.

(b) Acquisition of right-of-use assets

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ultimate parent company	\$ 92,071	\$ 23,135
Associates	-	3,507,884
Sister companies	26,178	31,298
Other related parties	66,990	-
	<u>\$ 185,239</u>	<u>\$ 3,562,317</u>

(c) Lease expenses

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ultimate parent company	\$ 1,437	\$ 1,259
Associates	58,166	58,709
Sister companies	19,531	17,196
Other related parties	4,735	2,605
	<u>\$ 83,869</u>	<u>\$ 79,769</u>

(d) Lease liabilities

	December 31, 2021	December 31, 2020
Ultimate parent company	\$ 89,503	\$ 73,102
Associates	3,267,710	3,654,236
Sister companies	204,633	265,288
Other related parties	488,239	472,611
	<u>\$ 4,050,085</u>	<u>\$ 4,465,237</u>

F. Property transactions

	Accounts	For the year ended December 31, 2021	For the year ended December 31, 2020
Associates	Intangible assets	\$ 118,842	\$ 39,441
Sister companies	"	950	-
Associates	Property, plant and equipment	20,247	67,695
Sister companies	"	-	162
		<u>\$ 140,039</u>	<u>\$ 107,298</u>

(4) Key management compensation

	For the year ended December 31, 2021	For the year ended December 31, 2020
Short-term employee benefits	\$ 507,229	\$ 616,223

8. PLEDGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2021	December 31, 2020	
Land	\$ 218,675	\$ 218,675	Guarantee facilities and performance guarantee
Buildings	29,561	31,450	Long-term borrowings and guarantee facilities
Transportation equipment	804,633	706,193	Long-term borrowings
Investment property	56,792	56,898	Performance guarantee
Pledged time deposits (Recognized as "Other non-current assets - guarantee deposits paid")	113,337	110,122	Performance guarantee
	<u>\$ 1,222,998</u>	<u>\$ 1,123,338</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS**(1) Capital management**

The Group's objectives in this area are to retain the confidence of investors and the market, to fund future capital expenditures and stable dividend flows for ordinary shares, and to maintain the most appropriate capital structure to maximize the equity interest of shareholders.

(2) Financial instruments**A. Financial instruments by category**

	December 31, 2021	December 31, 2020
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 745,635	\$ 2,191,019
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,165,909	\$ 959,827
Financial assets at amortized cost		
Cash and cash equivalents	\$ 45,648,486	\$ 46,562,907
Accounts receivable, net	6,484,621	6,215,272
Other receivables	2,663,819	1,950,481
Other current assets (Note)	2,003,411	2,491,850
Guarantee deposits paid	3,204,856	3,106,790
Other non-current assets (Note)	32,519	47,442
	<u>\$ 60,037,712</u>	<u>\$ 60,374,742</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 5,095,702	\$ 4,739,411
Short-term notes and bills payable	-	3,399,147
Notes payable	2,027,808	1,079,496
Accounts payable (including related parties)	26,301,770	25,056,836
Other payables	28,885,785	25,093,782
Long-term borrowings (including current portion)	1,498,084	1,320,128
Guarantee deposits received	4,044,359	3,784,654
	<u>\$ 67,853,508</u>	<u>\$ 64,473,454</u>
Lease liabilities	<u>\$ 81,037,630</u>	<u>\$ 78,137,016</u>

Note: The Group's trust account for advance receipts of gift certificates and deposits.

B. Risk management policies

- (a) The Group's risk management and hedging policies mainly focus on hedging business risk. The Group also establishes hedge positions when trading derivative financial instruments. The choice of instruments should hedge risks relating to interest expense, assets or liabilities arising from business operations.
- (b) For managing derivative instruments, the treasury department is responsible for managing trading positions of derivative instruments and assesses market values periodically. If transactions and gains (losses) are unusual, the treasury will respond accordingly and report to the Board of Directors immediately.
- (c) There is no related transaction with derivative financial instruments that are used to hedge certain exchange rate risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- I. The Group operates internationally and is exposed to foreign exchange risk arising from of the Company and its subsidiaries used in various functional currency, the transactions primarily with respect to the USD and RMB. Exchange risk arises from future commercial transactions and recognized assets and liabilities.
- II. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currencies.
- III. The Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the Renminbi (RMB). The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	December 31, 2021			December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 1,347	27.6800	\$ 37,285	\$ 1,878	28.4800	\$ 53,485
RMB : NTD	2,797	4.3549	12,181	2,790	4.3633	12,174
JPY : NTD	32,411	0.2405	7,795	55,921	0.2763	15,451
HKD : NTD	1,028	3.5503	3,650	1,267	3.6734	4,654
EUR : NTD	165	31.3200	5,168	43	35.0200	1,506
<u>Non-monetary items</u>						
JPY : NTD	\$ 842,700	0.2405	\$ 202,669	\$ 861,900	0.2763	\$ 238,143
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 4,018	27.6800	\$ 111,218	\$ 3,081	28.4800	\$ 87,747
RMB : NTD	2,189	4.3549	9,533	2,182	4.3633	9,521
JPY : NTD	111,934	0.2405	26,920	70,741	0.2763	19,546

- IV. Total exchange gain or loss, including realized and unrealized from significant foreign exchange variations on monetary items held by the Group amounted to 13,582 and \$18,840 for the years ended December 31, 2021 and 2020, respectively.
- V. Analysis of foreign currency market risk arising from significant foreign exchange variation: Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, accounts receivable and accounts payable denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's profit for the years ended December 31, 2021 and 2020 would increase/decrease by \$3,697 and \$1,713, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash, financial assets at fair value through other comprehensive income – non-current and accounts payable denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Group's comprehensive income for the years ended December 31, 2021 and 2020 would increase/decrease by \$9,177 and \$11,702, respectively.

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. The Group's investments in equity securities comprise shares and open-ended funds issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, and open-ended funds increase/decrease by 0.25%, with all other variables held constant, the post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$5,924 and \$9,540, respectively, as a result of gains/losses on equity securities and open-ended funds classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$58,295 and \$47,991, 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

- I. The Group's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which are 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. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and Philippine Peso.
- II. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have decreased/increased by \$3,745 and \$3,300, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full of the contract cash flows of the accounts receivable based on the agreed terms.
- II. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.
- III. The Group adopts management of credit risk, whereby the default occurs when the contract payments are past due over 90 days.
- IV. The Group assesses whether there has been a significant increase in credit risk on that instrument since initial recognition if the contract payments were past due over 30 days based on the terms.
- V. The Group operates a chain of retail stores, thus the ratio of accounts receivable to total asset is low and the probability that accounts receivable cannot be received is low. For accounts receivable from other transactions, the Group manages individually and follow up regularly. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach to estimate expected credit loss to assess the default possibility of accounts receivable. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021	
	Accounts receivable	
At January 1	\$	107,485
Provision for impairment		72,995
Write-offs	(	25,654)
Effect of foreign exchange	(	9,918)
At December 31	\$	144,908

	2020
	Accounts receivable
At January 1	\$ 55,829
Provision for impairment	61,516
Reversal of impairment	(106)
Write-offs	(3,413)
Effect of foreign exchange	(6,341)
At December 31	<u>\$ 107,485</u>

VI. The Group has no written-off financial assets that are still under recourse procedures on December 31, 2021 and 2020.

(c) Liquidity risk

- I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- II. The Group invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Group held money market funds of \$660,155 and \$2,105,496 as at December 31, 2021 and 2020, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.
- III. The Group has undrawn borrowing facilities of \$17,260,589 and \$12,120,795 as of December 31, 2021 and 2020, respectively.
- IV. 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. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are about to book value, maturing within one-year, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:				
December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 5,097,722	\$ -	\$ -	\$ -
Lease liabilities	13,715,693	14,933,201	12,606,345	44,311,988
Long-term borrowings (including current portion)	584,480	178,660	159,316	684,726

Non-derivative financial liabilities:				
December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 4,741,449	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,399,147	-	-	-
Lease liabilities	13,963,145	13,048,917	12,614,870	44,710,678
Long-term borrowings (including current portion)	336,467	162,794	137,045	798,892

- V. 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 of the inputs used in valuation techniques to measure the fair value of financial and non-financial instruments are 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, beneficiary certificates and on-the-run Taiwan central government bonds 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 investments without an active market is included in Level 3.

B. Fair value information of the Group's investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

	December 31, 2021			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposits paid	\$ 3,204,856	\$ -	\$ -	\$ 3,189,820
Financial liabilities:				
Guarantee deposits received	\$ 4,044,359	\$ -	\$ -	\$ 4,021,979

	December 31, 2020			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Guarantee deposits paid	\$ 3,106,790	\$ -	\$ -	\$ 3,092,709
Financial liabilities:				
Guarantee deposits received	\$ 3,784,654	\$ -	\$ -	\$ 3,764,776

(b) Guarantee deposits paid/received are measured at fair value, which is calculated based on the discounted future cash flow.

D. The related information for 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 is as follows:

(a) Classification according to the nature of assets and liabilities, relevant information is as follows:

	December 31, 2021	Level 1	Level 2	Level 3	Total
Assets					
Recurring fair value measurements					
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 660,155	\$ -	\$ -	\$ -	\$ 660,155
Equity securities	-	-	-	85,480	85,480
	660,155	-	-	85,480	745,635
Financial assets at fair value through other comprehensive income					
Equity securities	\$ 1,161,561	\$ -	\$ -	\$ 4,348	\$ 1,165,909
	\$ 1,821,716	\$ -	\$ -	\$ 89,828	\$ 1,911,544

Consolidated Financial
Statements and
Report of Independent
Accountants

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,105,496	\$ -	\$ -	\$ 2,105,496
Equity securities	-	-	85,523	85,523
	2,105,496	-	85,523	2,191,019
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 955,479	\$ -	\$ 4,348	\$ 959,827
	\$ 3,060,975	\$ -	\$ 89,871	\$ 3,150,846

(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-ended fund	Government bond
Market quoted price	Closing price	Net asset value	Closing price

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

- E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2021 and 2020, there was no significant transfer in or out of Level 3.
- G. The Group is in charge of valuation procedures for fair value measurements being categorized within Level 3, which to verify the independent fair value of financial instruments. Such assessments are to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the information resources are independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighboring area.
- H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative					
equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.47	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,871	Market comparable companies	Price to book ratio multiplier	2.58	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurements. If valuation assumptions from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2021 and 2020.

(4) Other information

Due to the outbreak of the COVID-19 pandemic and the impact of the government's prevention measures, some convenience stores of the Group were temporarily closed or had to reduce their operating hours. In response to the prevention measures, the Group has adopted related measures and continued to launch several promotion programs. The working capital of the Group is still sufficient, and all operating departments are operating normally. However, the subsequent sales performance and the extent of actual impact would depend on the development of the pandemic situation.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to Table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

List of shareholders holding more than 5% (inclusive) of shares: Please refer to Table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on reports reviewed by the chief operating decision-maker and used to make strategic decisions.

There was no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

The chief operating decision-maker considers the business from industry and geographic perspectives. By industry, the Group focuses on convenience stores, retail business groups, logistics business groups and others. Geographically, the Group focuses on Taiwan and mainland China where most of its business premises are located. As the operation of convenience stores in Taiwan is the focus of the Group, it is classified as a single operating segment. The whole of mainland China is considered the same operating segment.

The revenue of the Group's reportable segments is derived from the operations of convenience stores, retail business group and logistics business group. Other operating segments include a restaurant-related business group, supporting business group and China business. The supporting business group mainly provides services relating to the Group's business, such as system maintenance and development and food manufacturing and supply.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on operating revenue and profit before income tax, which are the basis for measuring performance.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2021					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 166,789,975	\$ 73,116,782	\$ 2,114,514	\$ 20,714,193	\$ -	\$ 262,735,464
Internal department revenue	1,220,155	3,044,574	16,350,545	8,648,432	(29,263,706)	-
Total segment revenue	\$ 168,010,130	\$ 76,161,356	\$ 18,465,059	\$ 29,362,625	(\$ 29,263,706)	\$ 262,735,464
Segment income (loss)	\$ 9,821,359	\$ 3,096,471	\$ 1,377,176	(\$ 227,830)	(\$ 1,995,481)	\$ 12,071,695
Depreciation and amortization	(\$ 11,052,031)	(\$ 5,314,365)	(\$ 1,334,063)	(\$ 3,164,577)	(\$ 118,805)	(\$ 20,983,841)
Gain (loss) on investments accounted for using equity method	\$ 2,838,228	(\$ 57,753)	\$ 162,551	(\$ 740,672)	(\$ 1,798,563)	\$ 403,791
Income tax expense	(\$ 959,740)	(\$ 653,428)	(\$ 241,927)	(\$ 236,896)	\$ 38,832	(\$ 2,053,159)
Interest income	\$ 22,263	\$ 31,596	\$ 5,959	\$ 133,340	(\$ 25)	\$ 193,133
Interest expense	(\$ 404,229)	(\$ 615,216)	(\$ 43,556)	(\$ 154,884)	\$ 3,457	(\$ 1,214,428)

	For the year ended December 31, 2020					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 167,339,677	\$ 68,955,912	\$ 2,116,524	\$ 20,082,794	\$ -	\$ 258,494,907
Internal department revenue	808,179	2,336,231	14,201,019	7,885,309	(25,230,738)	-
Total segment revenue	\$ 168,147,856	\$ 71,292,143	\$ 16,317,543	\$ 27,968,103	(\$ 25,230,738)	\$ 258,494,907
Segment income	\$ 11,714,515	\$ 2,564,422	\$ 1,346,435	\$ 352,244	(\$ 2,167,160)	\$ 13,810,456
Depreciation and amortization	(\$ 9,998,105)	(\$ 5,632,615)	(\$ 1,277,717)	(\$ 3,053,893)	(\$ 109,952)	(\$ 20,072,282)
Gain (loss) on investments accounted for using equity method	\$ 3,092,323	(\$ 34,839)	\$ 163,640	(\$ 786,707)	(\$ 2,011,010)	\$ 423,407
Income tax expense	(\$ 1,476,353)	(\$ 536,740)	(\$ 233,528)	(\$ 262,409)	\$ 38,832	(\$ 2,470,198)
Interest income	\$ 32,588	\$ 59,074	\$ 8,786	\$ 405,192	(\$ 1)	\$ 505,639
Interest expense	(\$ 394,400)	(\$ 714,568)	(\$ 45,644)	(\$ 170,838)	\$ 4,064	(\$ 1,321,386)

(4) Reconciliation of segment income (loss)

Revenue from external customers and segment income (loss) reported to the Chief Operating Decision-Maker are measured using the same method as for revenue and profit before tax in the financial statements. Thus, no reconciliation is needed.

(5) Information on products and services

Revenue from external customers is mainly from retail services and services provided. Details of revenue is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Convenience stores(including foreign subsidiary)	\$ 195,805,352	\$ 196,066,539
Sales of daily items	25,800,275	24,486,904
Delivery service	13,057,999	11,572,742
Restaurants	12,032,832	12,374,598
Gas station	9,532,281	7,901,725
Logistics service	2,114,514	2,116,524
Others	4,392,211	3,975,875
	<u>\$ 262,735,464</u>	<u>\$ 258,494,907</u>

(6) Geographical information

As of and for the years ended December 31, 2021 and 2020, the information on geographic area is as follows:

	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 228,480,604	\$ 112,821,706	\$ 224,809,048	\$ 107,215,175
Others	34,254,860	10,323,479	33,685,859	12,187,344
	<u>\$ 262,735,464</u>	<u>\$ 123,145,185</u>	<u>\$ 258,494,907</u>	<u>\$ 119,402,519</u>

(7) Major customer information

No customers constituted more than 10% of the Group's total revenue for the years ended December 31, 2021 and 2020.

Consolidated Financial
Statements and
Report of Independent
Accountants

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Loans to others

Table 1

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
													Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 40,000	\$ 40,000	\$ 20,000	0.65%	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 288,637	\$ 288,637	

Note: The maximum amount for total loan and the maximum amount of individual enterprise are 40% of its net worth.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
**Holding of marketable securities at the end of the period (not including subsidiaries,
associates and joint ventures)**

Table 2

December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Stock:								
President Chain Store Corp.	President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss – non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,461	5.37	14,461	
President Chain Store Corp.	Kaohsiung Rapid Transit Corp.	"	"	2,572,127	25,721	0.92	25,721	
Mech-President Corp.	Yamay International Development Corp.	"	"	9	-	-	-	
President Chain Store Corp.	President Securities Corp.	Investee of Uni-President Enterprises Corp.	Financial assets at fair value through other comprehensive income – non-current	40,545,111	958,892	2.79	958,892	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	202,669	0.61	202,669	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
Beneficiary certificates:								
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss – current	1,462,234	\$ 20,001	-	\$ 20,001	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	474,208	8,001	-	8,001	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	2,266,034	33,961	-	33,961	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,462,234	20,001	-	20,001	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	296,389	5,001	-	5,001	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	499,153	7,481	-	7,481	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	4,986,489	68,208	-	68,208	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	28,384,280	390,000	-	390,000	
21 Century Co., Ltd.	Prudential Financial Money Market Fund	"	"	1,875,985	30,000	-	30,000	
21 Century Co., Ltd.	FSITC Taiwan Money Market Fund	"	"	4,201,328	65,000	-	65,000	
President Being Corp.	CTBC Hua Win Money Market Fund	"	"	1,123,507	12,501	-	12,501	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

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

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal			Other increase (decrease)		Balance as at December 31, 2021		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
Beneficiary certificates:																
President Chain Store Corp.	UPAMC James Bond Money Market Fund	Note 1	Not applicable	Not applicable	-	\$ -	59,316,555	\$ 1,000,000	59,316,555	\$ 1,000,380	\$ 1,000,000	\$ 380	-	\$ -	-	\$ -
Books.com. Co., Ltd.	Capital Money Market Fund	"	"	"	1,229,732	20,002	46,206,271	752,000	47,436,003	772,069	772,000	69	-	(2)	-	-
Books.com. Co., Ltd.	Jih Sun Money Market Fund	"	"	"	2,675,943	40,005	39,277,758	588,000	41,953,701	628,399	628,000	399	-	(5)	-	-
Books.com. Co., Ltd.	Union Money Market Fund	"	"	"	3,756,884	50,003	119,334,505	1,590,100	123,091,389	1,640,289	1,640,100	189	-	(3)	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	5,960,766	81,340	29,826,431	407,500	34,324,963	468,905	468,833	72	-	(6)	1,462,234	20,001
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	2,725,601	45,902	22,604,290	381,000	24,855,683	418,935	418,900	35	-	(1)	474,208	8,001
Uni-Wonder Corp.	Union Money Market Fund	"	"	"	22,539,952	300,000	22,526,750	300,000	45,066,702	600,270	600,000	270	-	-	-	-
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	"	"	"	18,142,352	280,000	36,246,663	560,000	54,389,015	840,388	840,000	388	-	-	-	-
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	"	"	"	19,789,567	250,000	71,180,603	900,000	90,970,200	1,150,343	1,150,000	343	-	-	-	-
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	"	"	"	7,328,208	100,000	14,641,879	200,000	21,970,087	300,147	300,000	147	-	-	-	-
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	"	13,307,511	198,948	191,453,968	2,865,989	202,495,446	3,031,345	3,030,975	370	1	(1)	2,266,034	33,961
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	2,957,710	40,361	43,217,045	590,400	41,188,265	562,669	562,551	118	(1)	(2)	4,986,489	68,208
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	"	25,961,335	356,000	141,002,275	1,936,000	138,579,330	1,902,413	1,902,000	413	-	-	28,384,280	390,000
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	43,199,536	590,000	43,199,536	590,056	590,000	56	-	-	-	-
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	4,499,979	61,406	22,250,503	304,000	25,288,247	345,449	345,401	48	(1)	(4)	1,462,234	20,001
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	772,065	13,002	18,806,553	317,000	19,282,229	325,025	325,001	24	-	-	296,389	5,001
Stock:																
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Note 2	Issuance of common stock for cash	Parent company to subsidiary	-	\$ 173,272	-	\$ 304,824	-	\$ -	\$ -	\$ -	-	(\$ 122,935)	-	\$ 355,161
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	"	"	"	-	2,329,244	-	1,083,656	-	-	-	-	(1,256,658)	-	2,156,242	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	"	Not applicable	Not applicable	394,970,516	2,327,307	20,134,811	1,083,656	-	-	-	-	(1,256,224)	415,105,327	2,154,739	

Note 1: The security was recognized as "Financial assets at fair value through profit or loss-current".

Note 2: The security was recognized as "Investments accounted for using equity method".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more**

Table 4

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Corporation of acquisition	Name of property	Date of acquisition	Trade amount	Status of payment of proceeds	Name of the counter-party	Relationship	The last transfer data of counter-party				Basis for price determination	Reason for acquisition	Other terms
							Owner	Relationship	Transfer Day	Amount			
Wisdom Distribution Service Corp.	Land of Xinhui Anle Dist., Keelung City	November 3, 2021	\$763,960	100 million was paid for the first installment	Shun Chuan Warehousing Co., Ltd.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the appraisal results of Evermore Appraisers Firm and market conditions to bargain.	Based on the comprehensive planning of the company	Not applicable

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

Table 5

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	\$ 15,832,285	14	Net 30-40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,375,949)	(7)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	4,046,981	4	Net 45 days from the end of the month when invoice is issued	"	"	(711,748)	(4)	
	Tung Ang Enterprises Corp.	Sister company	"	2,173,319	2	Net 30 days from the end of the month when invoice is issued	"	"	(153,723)	(1)	
	21 Century Co., Ltd.	Subsidiary	"	805,000	1	Net 30-60 days from the end of the month when invoice is issued	"	"	(160,885)	(1)	
	Tait Marketing & Distribution Co., Ltd.	Sister company	"	638,820	1	Net 20-70 days from the end of the month when invoice is issued	"	"	(113,038)	(1)	
	Kai Ya Food Co., Ltd.	"	"	633,834	1	Net 40 days from the end of the month when invoice is issued	"	"	(106,688)	(1)	
	Lien Bo Corp.	"	"	622,192	1	Net 10-54 days from the end of the month when invoice is issued	"	"	(82,512)	-	
	Q-ware Systems & Services Corp.	Subsidiary	"	620,130	1	Net 40 days from the end of the month when invoice is issued	"	"	(116,807)	(1)	
	President Transnet Corp.	"	"	543,944	-	Net 60 days from the end of the month when invoice is issued	"	"	(90,042)	-	
	President Pharmaceutical Corp.	"	"	530,212	-	Net 60-70 days from the end of the month when invoice is issued	"	"	(109,635)	(1)	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	414,073	-	Net 30-65 days from the end of the month when invoice is issued	"	"	(133,230)	(1)	
	President Packaging Industrial Corp.	Sister company	"	413,268	-	Net 15-60 days from the end of the month when invoice is issued	"	"	(91,208)	-	
	President Drugstore Business Corp.	Subsidiary	"	262,841	-	Net 30-60 days from the end of the month when invoice is issued	"	"	(33,068)	-	
	Wei Lih Food Industrial Co., Ltd.	Other related party	"	263,514	-	Net 30-60 days from the end of the month when invoice is issued	"	"	(36,994)	-	
	Presco Netmarketing, Inc.	Sister company	"	150,670	-	Net 30-90 days from the end of the month when invoice is issued	"	"	(35,464)	-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(217,321)	(71)	Net 45-65 days from the end of the month when invoice is issued	"	"	54,043	67	
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(743,237)	(33)	Net 40 days from the end of the month when invoice is issued	"	"	134,165	49	
	President Logistics International Corp.	Parent company	"	(1,427,018)	(64)	Net 20 days from the end of the month when invoice is issued	"	"	135,226	49	
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	743,237	7	Net 40 days from the end of the month when invoice is issued	"	"	(134,165)	(6)	
	President Chain Store Corp.	Parent company	Sales revenue	(543,944)	(62)	Net 60 days from the end of the month when invoice is issued	"	"	90,042	5	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	381,463	9	Net 30 days from the end of the month when invoice is issued	"	"	(46,920)	(7)	
	Tong Zhan Corporation Ltd.	Other related party	"	899,185	21	Net 25 days from the end of the month when invoice is issued	"	"	(105,493)	(15)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	221,261	5	Net 29 days from the end of the month when invoice is issued	"	"	(24,084)	(3)	
Uni-Wonder Corp.	Tait Marketing & Distribution Co., Ltd.	Other related party	"	144,531	3	Net 30 days from the end of the month when invoice is issued	"	"	(\$ 23,110)	(3)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(1,143,317)	(64)	Net 45 days from the end of the month when invoice is issued	"	"	304,011	70	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	"	(107,278)	(6)	Net 45 days from the end of the month when invoice is issued	"	"	20,970	5	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	1,427,018	38	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	(135,226)	(32)	
	Retail Support International Corp.	Parent company	Delivery revenue	(881,564)	(23)	Net 20 days from the end of the month when invoice is issued	"	"	85,769	21	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	(1,239,365)	(32)	Net 20 days from the end of the month when invoice is issued	"	"	113,349	28	
	Wisdom Distribution Service Corp.	"	"	(1,484,752)	(38)	Net 20 days from the end of the month when invoice is issued	"	"	180,599	44	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	881,564	48	Net 20 days from the end of the month when invoice is issued	"	"	(85,769)	(40)	
	Retail Support Taiwan Corp.	"	"	312,139	17	Net 15~20 days from the end of the month when invoice is issued	"	"	(27,544)	(13)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(221,261)	(7)	Net 29 days from the end of the month when invoice is issued	"	"	24,084	8	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	"	Service cost	1,239,365	39	Net 20 days from the end of the month when invoice is issued	"	"	(113,349)	(2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	1,484,752	42	Net 20 days from the end of the month when invoice is issued	"	"	(180,599)	(31)	
	Books.com. Co., Ltd.	"	Service revenue	(323,146)	(8)	Net 30~90 days from the end of the month when invoice is issued	"	"	27,634	7	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	(620,130)	(54)	Net 40 days from the end of the month when invoice is issued	"	"	116,807	52	
President Drugstore Business Corp.	President Chain Store Corp.	"	Sales revenue	(262,841)	(2)	Net 30~60 days from the end of the month when invoice is issued	"	"	33,068	4	
	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	553,765	5	Net 60~80 days from the end of the month when invoice is issued	"	"	(11,399)	(1)	
	President Being Corp.	"	"	101,649	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(5,831)	-	
President Pharmaceutical Corp.	President Drugstore Business Corp.	"	Sales revenue	(553,765)	(32)	Net 60~80 days from the end of the month when invoice is issued	"	"	11,399	2	
	President Chain Store Corp.	Parent company	"	(530,212)	(30)	Net 60~70 days from the end of the month when invoice is issued	"	"	109,635	23	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	(4,046,981)	(97)	Net 45 days from the end of the month when invoice is issued	"	"	711,748	95	
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	154,021	6	Net 60 days from the end of the month when invoice is issued	"	"	(36,629)	(5)	
	Koasa Yamako Corp.	Other related party	"	228,902	8	Net 60 days from the end of the month when invoice is issued	"	"	(60,961)	(8)	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	Sales revenue	(805,000)	(52)	Net 30~60 days from the end of the month when invoice is issued	"	"	160,885	64	
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent company	Delivery revenue	(312,139)	(85)	Net 15~20 days from the end of the month when invoice is issued	"	"	\$ 27,544	65	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	(249,832)	(18)	Net 15~60 days from the end of the month when invoice is issued	"	"	50,976	22	
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	"	Delivery revenue	(138,381)	(32)	Net 80 days from the end of the month when invoice is issued	"	"	38,152	40	
Shanghai President Logistic Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Subsidiary	Service cost	138,381	19	Net 80 days from the end of the month when invoice is issued	"	"	(38,152)	(32)	
ICASH Corp.	President Chain Store Corp.	Parent company	Service revenue	(273,373)	(38)	Net 60 days from the end of the month when invoice is issued	"	"	64,278	55	
President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary of President Chain Store Corp.	Delivery revenue	(120,652)	(92)	Net 30 days from the end of the month when invoice is issued	"	"	10,285	85	
Shan Dong President Yinzuo Commercial Limited	President Logistic ShanDong Co., Ltd.	"	Service cost	120,652	5	Net 30 days from the end of the month when invoice is issued	"	"	(10,285)	(2)	
Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	"	Delivery revenue	(100,934)	(12)	Net 58 days from the end of the month when invoice is issued	"	"	8,608	6	
President Chain Store (Shanghai) Ltd.	Shanghai President Logistic Co., Ltd.	"	Service cost	100,934	8	Net 58 days from the end of the month when invoice is issued	"	"	(8,608)	(5)	
President Being Corp.	President Drugstore Business Corp.	"	Sales revenue	(101,649)	(79)	Net 30~60 days from the end of the month when invoice is issued	"	"	5,831	37	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more

Table 6

December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	\$ 304,011	5.54	\$ -	None	\$ 280,648	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	711,748	5.68	-	"	350,460	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	116,807	5.51	-	"	38,131	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	109,635	4.71	-	"	32,530	-
21 Century Co., Ltd.	President Chain Store Corp.	"	160,885	5.78	-	"	146,244	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	180,599	8.92	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	113,349	11.13	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	135,226	11.50	-	"	-	-
Chieh Shun Logistics International Corp.	President Transnet Corp.	"	134,165	6.85	-	"	64,964	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Table 7

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
1	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Other operating revenue	(\$ 489,906)	Net 20 days from the end of the month when invoice is issued	0.19
2	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(217,321)	Net 45-65 days from the end of the month when invoice is issued	0.08
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,143,317)	Net 45 days from the end of the month when invoice is issued	0.44
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	304,011	Net 45 days from the end of the month when invoice is issued	0.14
3	President Information Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Service revenue	(107,278)	Net 45 days from the end of the month when invoice is issued	0.04
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(620,130)	Net 40 days from the end of the month when invoice is issued	0.24
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	116,807	Net 40 days from the end of the month when invoice is issued	0.05
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(4,046,981)	Net 45 days from the end of the month when invoice is issued	1.54
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	711,748	Net 45 days from the end of the month when invoice is issued	0.33
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(553,765)	Net 70 days from the end of the month when invoice is issued	0.21
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(530,212)	Net 60-70 days from the end of the month when invoice is issued	0.20
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	109,635	Net 60-70 days from the end of the month when invoice is issued	0.05
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(543,944)	Net 60 days from the end of the month when invoice is issued	0.21
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,427,018)	Net 20 days from the end of the month when invoice is issued	0.54
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	135,226	Net 20 days from the end of the month when invoice is issued	0.06
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Accounts receivable	134,165	Net 40 days from the end of the month when invoice is issued	0.06
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(743,237)	Net 40 days from the end of the month when invoice is issued	0.28
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(881,564)	Net 20 days from the end of the month when invoice is issued	0.34
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,239,365)	Net 20 days from the end of the month when invoice is issued	0.47
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(1,484,752)	Net 20 days from the end of the month when invoice is issued	0.57
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	180,599	Net 20 days from the end of the month when invoice is issued	0.08
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	113,349	Net 20 days from the end of the month when invoice is issued	0.05
10	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(249,832)	Net 15-60 days from the end of the month when invoice is issued	0.10
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(805,000)	Net 30-60 days from the end of the month when invoice is issued	0.31

Consolidated Financial
Statements and
Report of Independent
Accountants

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	160,885	Net 30-60 days from the end of the month when invoice is issued	0.08
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(323,146)	Net 30-90 days from the end of the month when invoice is issued	0.12
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(312,139)	Net 15-20 days from the end of the month when invoice is issued	0.12
14	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary to subsidiary	Delivery revenue	(138,381)	Net 80 days from the end of the month when invoice is issued	0.05
15	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(273,373)	Net 60 days from the end of the month when invoice is issued	0.10
16	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(221,261)	Net 29 days from the end of the month when invoice is issued	0.08
17	President Being Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(101,649)	Net 30-60 days from the end of the month when invoice is issued	0.04
18	President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary to subsidiary	Delivery revenue	(120,652)	Net 30 days from the end of the month when invoice is issued	0.05
19	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(262,841)	Net 30-60 days from the end of the month when invoice is issued	0.10
20	Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary to subsidiary	Delivery revenue	(100,934)	Net 58 days from the end of the month when invoice is issued	0.04

Note: Transaction among the company and subsidiaries with amount over NTDS\$100,000, only one side of the transactions are disclosed.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

Table 8

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 23,075,419	\$ 302,597	\$ 302,602	Subsidiary
President Chain Store Corp.	President Drugstore Business Corp.	Taiwan	Sales of cosmetics, medicines and daily items	288,559	288,559	78,520,000	100.00	1,458,917	275,582	275,581	Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,330,196	1,426,559	998,591	Subsidiary
President Chain Store Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	904,475	904,475	55,858,815	80.87	811,447	204,366	165,273	Subsidiary
President Chain Store Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	330,216	330,216	22,121,962	73.74	690,901	103,529	76,342	Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	454,934	128,628	90,039	Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	544,724	64,270	57,689	Subsidiary
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	237,437	237,437	42,934,976	60.00	956,984	400,764	240,458	Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	513,555	92,039	79,154	Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	409,164	104,674	90,913	Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	10,847,421	100.00	543,055	330,520	330,519	Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	411,281	402,308	201,255	Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,889	(108)	(108)	Subsidiary
President Chain Store Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	102,000	102,000	10,199,999	51.00	220,426	177,562	90,513	Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	470,616	(110,389)	(110,389)	Subsidiary
President Chain Store Corp.	Uni-President Development Corp.	Taiwan	Construction, development and operation of an MRT station	720,000	720,000	72,000,000	20.00	757,554	96,525	19,307	Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,832,636	362,437	124,266	Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	173,630	213,822	53,455	Subsidiary
President Chain Store Corp.	Presicare Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	5,077,087	1,564,415	296,773	Note
President Chain Store Corp.	President Fair Development Corp.	Taiwan	Operation of shopping mall, department store, international trade, etc.	3,191,700	3,191,700	190,000,000	19.00	2,123,492	203,642	38,692	Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	447,310	831,243	30,749	Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	60,012	(104,395)	(10,941)	Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	46,387	(18,440)	(17,647)	Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	78,684	37,068	37,098	Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	69,024	2,299	2,120	Subsidiary
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Insurance brokers	213,000	213,000	1,500,000	100.00	35,988	17,237	17,238	Subsidiary
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	170,000	170,000	12,244,390	100.00	27,542	4,680	4,680	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(100,830)	(70,129)	(70,130)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	144,394	41,489	41,490	Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Trade and enterprise management consultancy	35,648	35,648	9,800	100.00	86,727	8,383	8,377	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	391,300	391,300	6,511,963	100.00	(148,621)	(62,427)	(62,426)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	96,618	108,278	75,794	Subsidiary

Consolidated Financial
Statements and
Report of Independent
Accountants

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ 200,000	\$ 200,000	7,500,049	50.00	\$ 97,728	\$ 18,723	\$ 9,361	Note
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	47,293	36,601	13,420	Note
President Chain Store Corp.	President Technology Corp., etc.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	26,723	42,873	6,430	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	102,963	-	11,722,779	100.00	39,859	(59,691)	(63,106)	Subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	23,681	8,888	5,333	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	20,483	20,483	740,000	7.80	5,839	2,299	179	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	1,873,752	807,241	67,693,370	100.00	2,156,242	(106,740)	(106,740)	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,311,351	4,311,351	134,603,354	100.00	3,498,271	(251,896)	(251,896)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	1,872,977	806,466	415,105,327	54.88	2,154,739	(189,643)	(106,357)	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	345,909	45,385	45,385	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	178,024	178,024	5,935,900	100.00	5,032	(32,709)	(32,709)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	402,308	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	128,628	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	204,366	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	92,039	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,426,559	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	104,674	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	177,562	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	103,529	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	-	-	1	-	-	18,723	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	64,270	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	400,764	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	213,822	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	108,278	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	British Virgin Islands	Professional investment	60,374	60,374	2,000,000	100.00	27,170	(21,614)	(21,614)	Subsidiary of a subsidiary
Retail Support International Corp.	Retail Support Taiwan Corp.	Taiwan	Room-temperature logistics and warehousing	15,300	15,300	2,871,300	51.00	75,102	45,248	23,077	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	179,617	88,795	43,510	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	21,994	88,795	5,328	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	91,641	88,795	22,199	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	British Virgin Islands	Professional investment	87,994	87,994	2,990	100.00	114,133	5,294	5,294	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	73,313	88,795	17,759	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,427	24,427	12,500,000	100.00	24,427	(4,310)	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	26,459	26,459	40,000	100.00	26,459	1,347	-	Subsidiary of a subsidiary

Note: The investee was recognized using equity method by the company.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Information on investments in Mainland China

Table 9

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net profit/(loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Book value of investments in December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 435,487	Note 1	\$ 260,670	\$ -	\$ -	\$ 260,670	\$ 2,398	100.00	\$ 2,398	\$ 74,503	\$ -	Note 2
President Chain Store (Shanghai) Ltd.	Convenience Store	2,700,019	Note 1	2,700,019	-	-	2,700,019	(150,319)	100.00	(150,319)	293,362	-	Note 2
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	55,360	Note 1	55,360	-	-	55,360	71,071	100.00	71,071	592,342	-	Note 2
Shan Dong President Yinzuo Commercial Limited	Supermarkets	261,292	Note 1	112,889	-	-	112,889	(144,465)	55.00	(79,000)	59,624	7,197	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	170,525	Note 1	170,525	-	-	170,525	(30,377)	73.74	(22,400)	(13,550)	51,479	Note 2
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	174,195	Note 1	163,582	-	-	163,582	10,716	80.00	8,636	182,722	23,593	Note 2
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	261,292	Note 1	261,292	-	-	261,292	37,485	100.00	37,485	419,677	-	Note 2
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	217,744	Note 1	217,744	-	-	217,744	14,044	100.00	14,044	219,293	-	Note 2
President Chain Store (Zhejiang) Ltd.	Convenience Store	914,523	Note 1	609,682	304,841	-	914,523	(122,224)	100.00	(122,224)	355,161	-	Note 2
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	261,292	Note 1	130,646	130,646	-	261,292	(38,483)	100.00	(38,483)	126,870	-	Note 2

Note 1: Indirect investment in PRC through the existing company located in the third area.

Note 2: The financial statements were reviewed by the CPA of parent company in Taiwan.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	\$ 4,266,541	\$ 8,499,107	\$ 25,674,895
President Pharmaceutical Corp.	170,525	170,525	432,955
Uni-President Cold-Chain Corp.	82,138	82,138	944,659
Ren-Hui Investment Corp.	47,701	47,701	80,000

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares

December 31, 2021

Table 10

Shareholder name	Shares held as at December 31, 2021	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

Note : The above information is provided by the Taiwan Depository & Clearing Corp.

6 Parent Company Only Financial Statements and Report of Independent Accountants

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of President Chain Store Corp.

Opinion

We have audited the accompanying parent company only balance sheets of President Chain Store Corp. as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (which are described in the Other matters section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of President Chain Store Corp. as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits and the reports of other independent accountants, we believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(23) and 6(22) to the parent company only financial statements for the accounting policy and the details of accounting relating to this key audit matter.

Retail sales revenue is generated by point-of-sale (POS) terminals, which record the merchandise name, quantity, sales price and total sales amount of each transaction using pre-established merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.). After the daily closing process, each store manager uploads the sales information to the ERP (enterprise resource planning) system, which summarizes all sales and automatically generates sales revenue journal entries. Each store manager also prepares a daily cash report to record the sales information and payment methods (including cash, gift certificates, credit cards and electronic payment devices, etc.) and the cash deposited to the bank.

As retail sales revenue comprises numerous small amount transactions and highly relies on the POS and ERP systems, the process of summarizing and recording sales revenue by these systems is important with regard to the completeness and accuracy of the retail sales revenue, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Inspected whether additions and changes to the merchandise master file data had been properly approved and supported by relevant documents;
2. Inspected whether approved additions and changes to the merchandise master file data had been correctly entered in the merchandise master file;
3. Inspected whether merchandise master file data had been periodically transferred to POS terminals in stores;
4. Inspected whether sales information in POS terminals was periodically and completely transferred to the ERP system and automatically generated sales revenue journal entries;
5. Inspected manual sales revenue journal entries and relevant documents;

6. Inspected daily cash reports and relevant documents; and
7. Inspected whether cash deposit amounts recorded in daily cash reports were in agreement with bank remittance amounts.

Cost-to-retail ratio of retail inventory method

Description

Please refer to Notes 4(11) and 6(3) to the parent company only financial statements for the accounting policy and the details of accounting relating to this key audit matter.

As there are various kinds of merchandise, the retail inventory method is used to estimate the cost of inventory and the cost of goods sold. The retail inventory method uses the ratio of the cost of goods purchased to their retail value (known as cost-to-retail ratio) to calculate the cost of inventory and the cost of goods sold. The calculation of the cost-to-retail ratio highly relies on the goods purchased both at cost and retail price, and thus has been identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Interviewed management to understand the calculation of the cost-to-retail ratio under the retail inventory method, and inspected whether it had been consistently applied in the comparative periods of the financial statements;
2. Inspected whether additions and changes to the merchandise master file data (including merchandise name, cost of inventory, retail price, sales promotions, etc.) had been properly approved and the data correctly entered in the merchandise master file;
3. Inspected whether the cost and retail price of inventory purchased as per delivery receipts were in agreement with POS purchase records after acceptance of the inventory;
4. Inspected whether the POS records for the cost and retail price of inventory purchased were periodically and completely transferred to the ERP system and ascertain whether the records could not be changed manually; and
5. Calculated the cost-to-retail ratio to verify its accuracy.

Other matter –Using the work of other auditors

We did not audit the financial statements of certain investments accounted for using equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, associates and joint ventures, and the information on investees disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for using equity method amounted to NT\$2,154,739 thousand and NT\$2,327,307 thousand, constituting 1.5% and 1.6% of parent company only total assets as at December 31, 2021 and 2020, respectively, and the related total comprehensive net income (including share of profit of subsidiaries, associates and joint ventures accounted for using equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method) amounted to (NT\$79,073) thousand and (NT\$134,437) thousand, representing (0.9%) and (1.5%) of parent company only total comprehensive net income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal controls as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the

Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are, therefore, considered to be the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan
24 February, 2022

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

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

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 10,719,621	7	\$ 10,997,277	8
1170	Accounts receivable, net	6(2)	733,144	1	592,746	1
1200	Other receivables	7(3)	4,320,660	3	3,052,702	2
130X	Inventories	6(3)	9,980,315	7	8,891,933	6
1410	Prepayments		362,335	-	131,058	-
1470	Other current assets		1,379,752	1	1,608,083	1
11XX	Total current assets		27,495,827	19	25,273,799	18
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	85,480	-	85,523	-
1517	Financial assets at fair value through other comprehensive income -non-current	6(5)	1,165,909	1	959,827	1
1550	Investments accounted for using equity method	6(6)	46,935,745	32	49,110,865	35
1600	Property, plant and equipment	6(7)	13,907,351	9	12,233,732	9
1755	Right-of-use assets	6(8) and 7(3)	52,636,229	36	50,276,653	35
1760	Investment property, net	6(10)	1,548,182	1	1,183,875	1
1780	Intangible assets	6(11)	290,720	-	162,265	-
1840	Deferred income tax assets	6(29)	778,010	1	715,841	-
1900	Other non-current assets	6(12)	1,599,523	1	1,501,570	1
15XX	Total non-current assets		118,947,149	81	116,230,151	82
1XXX	Total assets		\$ 146,442,976	100	\$ 141,503,950	100

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 3,500,000	2	\$ 3,100,000	2
2110	Short-term notes and bills payable	6(14)	-	-	3,399,147	3
2130	Contract liabilities – current	6(22)	4,762,325	3	3,199,068	2
2150	Notes payable		1,213,443	1	886,303	1
2160	Notes payable – related parties	7(3)	6,145,475	4	4,569,926	3
2170	Accounts payable		1,889,771	1	1,481,068	1
2180	Accounts payable – related parties	7(3)	9,664,135	7	9,135,473	7
2200	Other payables	6(15)	18,885,165	13	15,594,702	11
2230	Current income tax liabilities	6(29)	626,645	1	1,012,668	1
2280	Lease liabilities – current	7(3)	9,046,183	6	7,566,006	5
2300	Other current liabilities	6(16)	1,739,156	1	1,680,553	1
21XX	Total current liabilities		57,472,298	39	51,624,914	37
Non-current liabilities						
2527	Contract liabilities – non-current	6(22)	201,663	-	334,445	-
2570	Deferred income tax liabilities	6(29)	3,567,607	3	3,926,397	3
2580	Lease liabilities – non-current	7(3)	44,423,203	30	43,283,311	31
2640	Net defined benefit liability – non-current	6(17)	2,698,132	2	2,868,592	2
2645	Guarantee deposit received		3,197,650	2	2,964,161	2
2670	Other non-current liabilities		719,415	1	481,939	-
25XX	Total non-current liabilities		54,807,670	38	53,858,845	38
2XXX	Total liabilities		112,279,968	77	105,483,759	75
Equity						
Share capital						
3110	Share capital – common stock	6(18)	10,396,223	7	10,396,223	7
Capital surplus						
3200	Capital surplus	6(19)	86,222	-	47,628	-
Retained earnings						
3310	Legal reserve	6(20)	15,379,788	10	14,369,228	10
3320	Special reserve		1,332,621	1	380,187	-
3350	Unappropriated retained earnings		8,889,669	6	12,159,546	9
Other equity						
3400	Other equity interest	6(21)	(1,921,515)	(1)	(1,332,621)	(1)
3XXX	Total equity		34,163,008	23	36,020,191	25
3X2X	Total liabilities and equity		\$ 146,442,976	100	141,503,950	100

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

PRESIDENT CHAIN STORE CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

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

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(22) and 7(3)	\$ 168,010,130	100	\$ 168,147,856	100
5000 Operating costs	6(3)(27) and 7(3)	(111,722,341)	(66)	(111,590,813)	(67)
5900 Gross profit		56,287,789	34	56,557,043	33
Operating expenses	6(27)(28)				
6100 Selling expenses		(46,623,860)	(28)	(44,926,938)	(27)
6200 General and administrative expenses		(3,866,297)	(2)	(4,111,400)	(2)
6450 Expected credit losses	12(2)	-	-	(28)	-
6000 Total operating expenses		(50,490,157)	(30)	(49,038,366)	(29)
6900 Operating profit		5,797,632	4	7,518,677	4
Non-operating income and expenses	7(3)				
7100 Interest income	6(23)	22,263	-	32,588	-
7010 Other income	6(24)	1,512,580	1	1,421,455	1
7020 Other gains and losses	6(25)	54,885	-	43,872	-
7050 Finance costs	6(26)	(404,229)	-	(394,400)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	2,838,228	1	3,092,323	2
7000 Total non-operating income and expenses		4,023,727	2	4,195,838	3
7900 Profit before income tax		9,821,359	6	11,714,515	7
7950 Income tax expense	6(29)	(959,740)	(1)	(1,476,353)	(1)
8200 Profit for the year		\$ 8,861,619	5	\$ 10,238,162	6
Other comprehensive (loss) income					
8311 Gain (loss) on remeasurement of defined benefit plan	6(17)	\$ 93,166	-	(\$ 116,127)	-
8316 Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(5)(21)	206,082	-	152,712	-
8330 Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		86,479	-	(43,489)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	(11,538)	-	25,690	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		374,189	-	18,786	-
8361 Financial statements translation differences of foreign operations	6(21)	(793,912)	-	(1,093,603)	(1)
8380 Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(10,187)	-	(11,382)	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		(804,099)	-	(1,104,985)	(1)
8300 Total Other comprehensive (loss) income for the year		(\$ 429,910)	-	(\$ 1,086,199)	(1)
8500 Total comprehensive income for the year		\$ 8,431,709	5	\$ 9,151,963	5
9750 Basic earnings per share	6(30)	\$	8.52	\$	9.85
9850 Diluted earnings per share	6(30)	\$	8.51	\$	9.83

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

PRESIDENT CHAIN STORE CORP. PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

Appendix

Parent Company Only
Financial Statements and
Report of Independent
Accountants

(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest		Total equity
				Legal reserve	Special 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	
For the year ended December 31, 2020									
Balance at January 1, 2020		\$ 10,396,223	\$ 46,884	\$ 13,314,081	\$ -	\$ 12,845,880	(\$ 869,908)	\$ 489,721	\$ 36,222,881
Profit for the year		-	-	-	-	10,238,162	-	-	10,238,162
Other comprehensive income (loss) for the year	6(21)	-	-	-	-	(133,765)	(1,103,360)	150,926	(1,086,199)
Total comprehensive income(loss) for the year		-	-	-	-	10,104,397	(1,103,360)	150,926	9,151,963
Distribution of 2019 earnings:	6(20)								
Legal reserve		-	-	1,055,147	-	(1,055,147)	-	-	-
Special reserve		-	-	-	380,187	(380,187)	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)
Overdue unclaimed cash dividend transferred to capital surplus		-	744	-	-	-	-	-	744
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	1,203	-	-	1,203
Balance at December 31, 2020		\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191
For the year ended December 31, 2021									
Balance at January 1, 2021		\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191
Profit for the year		-	-	-	-	8,861,619	-	-	8,861,619
Other comprehensive income (loss) for the year	6(21)	-	-	-	-	158,984	(803,627)	214,733	(429,910)
Total comprehensive income(loss) for the year		-	-	-	-	9,020,603	(803,627)	214,733	8,431,709
Distribution of 2020 earnings:	6(20)								
Legal reserve		-	-	1,010,560	-	(1,010,560)	-	-	-
Special reserve		-	-	-	952,434	(952,434)	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)
Overdue unclaimed cash dividend transferred to capital surplus		-	774	-	-	-	-	-	774
Acquisition of additional equity interest in a subsidiary		-	-	-	-	(969,812)	-	-	(969,812)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	57	-	-	-	-	-	57
Adjustment to capital surplus due to non-proportional investment accounted for using equity method		-	37,763	-	-	-	-	-	37,763
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	(1,074)	-	-	(1,074)
Balance at December 31, 2021		\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008

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

PRESIDENT CHAIN STORE CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax for the year		\$ 9,821,359	\$ 11,714,515
Adjustments to reconcile before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value through profit or loss		(1,950)	-
Expected credit losses	12(2)	-	28
Depreciation expense	6(7)(8)(27)	10,984,730	9,972,207
Amortization expense	6(11)(27)	67,301	25,898
Depreciation on investment property	6(10)	6,452	7,068
Finance costs	6(26)	404,229	394,400
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(2,838,228)	(3,092,323)
Loss (gain) on disposal of property, plant and equipment	6(25)	3,085	(37,206)
Gain on disposal of investment property	6(25)	(22,549)	(2,682)
Gain from lease modification	6(8)(25)	(70,238)	(56,083)
Interest income	6(23)	(22,263)	(32,588)
Dividend income	6(24)	(82,168)	(61,961)
Other income recognized from rent concessions	6(8)	(32,852)	(25,700)
Changes in operating assets and liabilities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		380	-
Accounts receivable		(140,398)	(1,119)
Other receivables		(1,268,379)	(777,941)
Inventories		(1,088,382)	(855,567)
Prepayments		(231,277)	(4,084)
Other current assets		228,331	(214,380)
Other non-current assets		(4,610)	10,325
Net changes in liabilities relating to operating activities			
Contract liabilities - current		1,563,257	1,591,098
Accounts payable		937,365	864,067
Notes payable		1,902,689	6,376
Other payables		3,208,874	(1,421,431)
Other current liabilities		58,603	187,986
Contract liabilities - non-current		(132,782)	118,161
Net defined benefit liability		(77,294)	(17,209)
Other non-current liabilities		184,864	(4,898)
Cash inflow generated from operations		23,358,149	18,286,957
Interest received		22,684	31,994
Income tax paid	6(29)	(1,778,260)	(1,357,688)
Interest paid		(393,668)	(383,229)
Dividends received		3,547,793	3,013,689
Net cash flows from operating activities		24,756,698	19,591,723

(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for using equity method	6(6) and 7(3)	(\$ 102,963)	\$ -
Acquisition of property, plant and equipment	6(31)	(4,634,046)	(4,470,949)
Proceeds from disposal of property, plant and equipment		98,384	104,835
Return of capital from financial assets at fair value through profit or loss		1,613	42
Acquisition of investment property	6(10)	(375,938)	-
Proceeds from disposal of investment property	6(10)	38,554	15,423
Increase in guarantee deposits paid		(93,343)	(118,668)
Acquisition of intangible assets	6(11)	(195,756)	(103,435)
Net cash flows used in investing activities		(5,263,495)	(4,572,752)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(32)	400,000	(1,900,000)
Decrease (increase) in short-term notes and bills payable	6(32)	(3,399,147)	3,399,147
Payments of lease liabilities	6(32)	(7,648,601)	(7,096,154)
Increase in guarantee deposits received	6(32)	233,489	234,035
Payment of cash dividends	6(20)(32)	(9,356,600)	(9,356,600)
Net cash flows used in financing activities		(19,770,859)	(14,719,572)
Net (decrease) increase in cash and cash equivalents		(277,656)	299,399
Cash and cash equivalents at beginning of year		10,997,277	10,697,878
Cash and cash equivalents at end of year		\$ 10,719,621	\$ 10,997,277

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

PRESIDENT CHAIN STORE CORP.

NOTES TO THE PARENT COMPANY ONLY

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANISATION

(1) President Chain Store Corporation (the "Company") was established on June 10, 1987. The Company is primarily engaged in the investment and operation of convenience store chains. Business items included sales of food, beverages, coffee, daily commodities, cosmetics and health care products. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997.

(2) The Company's ultimate parent company is Uni-President Enterprises Corp., which holds 45.4% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorized for issuance by the Board of Directors on February 24, 2022.

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 Company's financial condition and financial performance based on the Company's assessment.

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

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 Company's financial condition and financial performance based on the Company'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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	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

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

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Company expects to recognise a deferred tax asset and liability for all deductible and taxable temporary differences associated with decommissioning liabilities and its corresponding right-of-use assets retrospectively as of January 1, 2022. The potential impacts of these amendments will be retroactively adjusted as of January 1, 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements, in conformity with IFRSs, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and jointly arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or jointly arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Company retains partial interest in the former foreign associate or jointly arrangements after losing significant influence over the former foreign associate, or losing joint control of the former jointly arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (4) Classification of current and non-current items
- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within 12 months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within 12 months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- (5) Cash equivalents
- Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations (including time deposits with contract period of less than 12 months) are classified as cash equivalents.
- (6) Financial assets at fair value through profit or loss
- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- (7) Financial assets at fair value through other comprehensive income
- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

For financial assets measured at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Leasing arrangement (lessor) – operating leases

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

(11) Inventories

- A. Purchases are initially recorded at cost. Cost is determined using the retail inventory method.
- B. Ending inventories are stated at the lower of cost and net realizable value, and the item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) Investments accounted for using equity method - subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owner. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. The Company accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- N. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.
- (13) Property, plant and equipment
- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment are measured subsequently using the cost model. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	50 years
Operating equipment	2~7 years
Leasehold improvements	7 years

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

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

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

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate; and
- (c) Amounts expected to be payable by the lessee under residual value guarantees.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(16) Intangible assets

Computer software and copyright are stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 15 years.

(17) Impairment of non-financial assets

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

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

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

(20) Provisions

The Company's provisions are presented in 'Other non-current liabilities'. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(21) Employee benefits**A. Short-term employee benefits**

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions**(a) Defined contribution plan**

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' and directors' remuneration

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

(22) Income tax

- A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognized for the carry forward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(23) Revenue recognition

A. Sale of goods

- (a) The Company operates a chain of retail stores. Revenue from the sale of goods is recognized when the Company sells a product to the customer.
- (b) Payment of the transaction price is due immediately when the customer purchases the product. It is the Company's policy to sell its products to the end customer with a right of return. Therefore, a refund liability and a right to the returned goods (included in 'other current assets') are recognized for the products expected to be returned. Accumulated experience is used to estimate such returns using the expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.
- (c) The Company operates a loyalty program where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

B. Sales of services

The Company provides delivery services. Revenue from delivering services is recognized when the services have been provided.

C. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company has no such assumptions and estimates which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS**(1) Cash and cash equivalents**

	December 31, 2021	December 31, 2020
Petty cash in store	\$ 979,358	\$ 1,081,157
Checking accounts and demand deposits	9,440,263	6,216,162
Cash equivalents		
Time deposits	300,000	500,000
Short-term financial instruments	-	3,199,958
	<u>\$ 10,719,621</u>	<u>\$ 10,997,277</u>

A. The Company transacts with a variety of financial institutions, all with high credit quality, to disperse credit risk, so it considers the probability of counterparty default as remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Accounts receivable

	December 31, 2021	December 31, 2020
Accounts receivable	\$ 734,116	\$ 593,718
Less: Allowance for doubtful accounts	(972)	(972)
	<u>\$ 733,144</u>	<u>\$ 592,746</u>

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2021	December 31, 2020
Not past due	\$ 723,365	\$ 593,044
Up to 90 days	10,042	645
91 to 120 days	127	-
Over 121 days	582	29
	<u>\$ 734,116</u>	<u>\$ 593,718</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2021 and 2020, accounts receivable was all from contracts with customers. And as at January 1, 2020, the balance of receivables from contracts with customers amounted to \$591,655.

C. No accounts receivable of the Company was pledged to others.

D. As at December 31, 2021 and 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 Company's accounts receivable were \$733,144 and \$592,746, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(3) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 10,002,185	(\$ 21,870)	\$ 9,980,315
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 8,907,312	(\$ 15,379)	\$ 8,891,933

The cost of inventories recognized as expense:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cost of goods sold	\$ 109,471,937	\$ 109,250,147
Loss on (gain on reversal) valuation of inventories	6,491	(27,455)
Spoilage	1,944,364	2,088,237
Others	299,549	279,884
	<u>\$ 111,722,341</u>	<u>\$ 111,590,813</u>

The Company reversed a previous inventory write-down because the Company sold and scrapped certain inventories which were previously provided with allowance during the year ended December 31, 2020.

(4) Financial assets at fair value through profit or loss – non-current

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss		
Non-current items:		
Unlisted stocks	\$ 240,975	\$ 274,703
Valuation adjustment	(155,495)	(189,180)
	<u>\$ 85,480</u>	<u>\$ 85,523</u>

A. The Company recognized net gains of financial assets at fair value through profit or loss was \$20,244 and \$18,128 for the years ended December 31, 2021 and 2020, respectively.

B. No financial assets at fair value through profit or loss of the Company were pledged to others.

C. Information relating to credit risk is provided in Note 12(2).

(5) Financial assets at fair value through other comprehensive income - non-current

	December 31, 2021	December 31, 2020
Equity instruments		
Listed stocks	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348
	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	895,955	689,873
	<u>\$ 1,165,909</u>	<u>\$ 959,827</u>

A. The Company has elected to classify the listed and unlisted stocks that are considered to be strategic investments and have steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,165,909 and \$959,827 as at December 31, 2021 and 2020, respectively.

B. Amounts recognized in profit or loss and other comprehensive income (loss) in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	\$ 206,082	\$ 152,712
Dividend income recognized in profit or loss	\$ 63,494	\$ 43,833

C. As at December 31, 2021 and 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 fair value through other comprehensive income held by the Company was \$1,165,909 and \$959,827, respectively.

D. No financial assets at fair value through other comprehensive income of the Company were pledged to others.

E. Information relating to credit risk is provided in Note 12(2).

(6) Investments accounted for using the equity method

	2021	2020
At January 1	\$ 49,110,865	\$ 50,117,541
Addition of investments accounted for using equity method	102,963	-
Share of profit or loss of investments accounted for using equity method	2,838,228	3,092,323
Earnings distribution of investments accounted for using equity method	(3,465,625)	(2,951,728)
Changes in other equity items	(1,650,686)	(1,147,271)
At December 31	\$ 46,935,745	\$ 49,110,865
	December 31, 2021	December 31, 2020
<u>Subsidiaries</u>		
President Chain Store (BVI) Holdings Ltd.	\$ 23,075,419	\$ 25,102,119
Uni-Wonder Corp.	4,832,636	5,078,516
President Transnet Corp.	2,330,196	1,882,686
President Drugstore Business Corp.	1,458,917	1,445,303
Uni-President Cold-Chain Corp.	956,984	910,506
Mech-President Corp.	811,447	747,097
President Pharmaceutical Corp.	690,901	699,003
Uni-President Superior Commissary Corp.	544,724	526,475
Wisdom Distribution Service Corp.	543,055	516,295
President Information Corp.	513,555	499,116
ICASH Corp.	470,616	580,833
Uni-President Department Store Corp.	454,934	530,898
Books.com. Co., Ltd.	411,281	412,559
Q-ware Systems & Services Corp.	409,164	392,745
Duskin Serve Taiwan Co., Ltd.	220,426	208,040
Retail Support International Corp.	173,630	171,835
21 Century Co., Ltd.	144,394	131,869
President Collect Service Corp., etc.	256,267	353,329
	38,298,546	40,189,224
	December 31, 2021	December 31, 2020
<u>Associates</u>		
PresiCarre Corp.	\$ 5,077,087	\$ 5,434,309
President Fair Development Corp.	2,123,492	2,084,800
Uni-President Development Corp.	757,554	757,759
President International Development Corp.	447,310	445,096
Tung Ho Development Corp.	60,012	33,133
Uni-President Organics Corp.	47,293	42,447
President Technology Corp.	26,723	25,543
	8,539,471	8,823,087
<u>Joint ventures</u>		
Mister Donut Taiwan Co., Ltd.	\$ 97,728	\$ 98,554
	\$ 46,935,745	\$ 49,110,865

A. Information about the subsidiaries of the Company is provided in Note 4(3), "Basis of preparation" of the consolidated financial statements as of and for the year ended December 31, 2021.

B. The acquisition of additional shares in certain investments in associates or joint ventures are not significant to the Company. The details of the Company's share of the operating results in the aforementioned investments are as follows:

(a) The Company's share of the operating results in all individually immaterial associates is summarized below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Total comprehensive income	\$ 384,769	\$ 392,732

(b) The Company's share of the operating results in all individually immaterial joint ventures is summarized below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Total comprehensive income	\$ 9,304	\$ 11,256

C. No impairment loss was recognized on investments accounted for using equity method for the years ended December 31, 2021 and 2020.

(7) Property, plant and equipment

A. The details of property, plant and equipment are as follows:

	2021					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 1,545,466	\$ 968,199	\$ 15,991,485	\$ 9,652,347	\$ 14,808	\$ 28,172,305
Accumulated depreciation and impairment	(16,367)	(382,082)	(9,583,372)	(5,947,237)	(9,515)	(15,938,573)
	\$ 1,529,099	\$ 586,117	\$ 6,408,113	\$ 3,705,110	\$ 5,293	\$ 12,233,732
<u>At December 31</u>						
Opening net book amount as at January 1	\$ 1,529,099	\$ 586,117	\$ 6,408,113	\$ 3,705,110	\$ 5,293	\$ 12,233,732
Additions	-	-	2,792,246	1,907,678	13,595	4,713,519
Disposals	(4,199)	(3,735)	(12,176)	(81,359)	-	(101,469)
Transfer	(10,201)	(625)	-	1,280	(1,280)	(10,826)
Depreciation charge	-	(19,045)	(1,843,631)	(1,064,281)	(648)	(2,927,605)
Closing net book amount as at December 31	\$ 1,514,699	\$ 562,712	\$ 7,344,552	\$ 4,468,428	\$ 16,960	\$ 13,907,351
<u>At January 1</u>						
Cost	\$ 1,518,631	\$ 957,651	\$ 17,435,785	\$ 10,582,840	\$ 27,123	\$ 30,522,030
Accumulated depreciation and impairment	(3,932)	(394,939)	(10,091,233)	(6,114,412)	(10,163)	(16,614,679)
	\$ 1,514,699	\$ 562,712	\$ 7,344,552	\$ 4,468,428	\$ 16,960	\$ 13,907,351

	2020					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 1,545,466	\$ 968,199	\$ 14,367,788	\$ 8,649,472	\$ 26,594	\$ 25,557,519
Accumulated depreciation and impairment	(16,367)	(362,929)	(9,222,896)	(5,468,173)	(9,451)	(15,079,816)
	<u>\$ 1,529,099</u>	<u>\$ 605,270</u>	<u>\$ 5,144,892</u>	<u>\$ 3,181,299</u>	<u>\$ 17,143</u>	<u>\$ 10,477,703</u>
Opening net book amount as at January 1	\$ 1,529,099	\$ 605,270	\$ 5,144,892	\$ 3,181,299	\$ 17,143	\$ 10,477,703
Additions	-	-	2,811,974	1,538,959	2,613	4,353,546
Disposals	-	-	(12,630)	(54,999)	-	(67,629)
Transfer	-	-	-	13,806	(13,806)	-
Depreciation charge	-	(19,153)	(1,536,123)	(973,955)	(657)	(2,529,888)
Closing net book amount as at December 31	<u>\$ 1,529,099</u>	<u>\$ 586,117</u>	<u>\$ 6,408,113</u>	<u>\$ 3,705,110</u>	<u>\$ 5,293</u>	<u>\$ 12,233,732</u>
<u>At December 31</u>						
Cost	\$ 1,545,466	\$ 968,199	\$ 15,991,485	\$ 9,652,347	\$ 14,808	\$ 28,172,305
Accumulated depreciation and impairment	(16,367)	(382,082)	(9,583,372)	(5,947,237)	(9,515)	(15,938,573)
	<u>\$ 1,529,099</u>	<u>\$ 586,117</u>	<u>\$ 6,408,113</u>	<u>\$ 3,705,110</u>	<u>\$ 5,293</u>	<u>\$ 12,233,732</u>

B. No property, plant and equipment of the Company was pledged to others.

(8) Leasing arrangements – lessee

A. The Company leases various assets including buildings and equipment, etc. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Buildings	<u>\$ 52,636,229</u>	<u>\$ 50,276,653</u>
	For the year ended December 31, 2021	For the year ended December 31, 2020
	Depreciation charge	Depreciation charge
Buildings	<u>\$ 8,057,125</u>	<u>\$ 7,442,319</u>

C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$12,021,149 and \$14,667,833, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 355,278	\$ 338,828
Expense on variable lease payments	70,169	123,675
Gain on sublease of right-of-use assets	580,651	569,892
Gain from lease modification	70,238	56,083

E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$8,074,048 and \$7,558,657, respectively.

F. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to sales generated from a store. For the above-mentioned stores, approximately 0.83% and 1.56% of lease payments for the years ended December 31, 2021 and 2020, respectively, are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$702 and \$1,237 for the years ended December 31, 2021 and 2020, respectively.

G. The Company's leases not yet commenced to which the leases are committed are business premises for the lessees, and the lease liabilities undiscounted amount at December 31, 2021 and 2020 are \$2,934,809 and \$2,436,677, respectively.

H. The Company has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$32,852 and \$25,700, as other income for the years ended December 31, 2021 and 2020, respectively.

(9) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 and 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Information on profit in relation to lease contracts is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Rental revenue	\$ 652,158	\$ 648,020
Rental revenue from variable lease payments	\$ 375,028	\$ 376,161

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2021	December 31, 2020
Within 1 year	\$ 247,277	\$ 232,912
1~2 years	181,599	202,933
2~3 years	112,957	151,128
3~4 years	92,360	91,365
4~5 years	72,511	73,053
Over 5 years	194,265	189,870
	\$ 900,969	\$ 941,261

(10) Investment property

	2021		
	Land	Buildings	Total
At January 1	\$ 977,552	\$ 206,323	\$ 1,183,875
Additions	325,221	50,717	375,938
Disposals	(9,119)	(6,886)	(16,005)
Transfer	10,201	625	10,826
Depreciation charge	-	(6,452)	(6,452)
At December 31	\$ 1,303,855	\$ 244,327	\$ 1,548,182

	2020		
	Land	Buildings	Total
At January 1	\$ 981,540	\$ 222,144	\$ 1,203,684
Disposals	(3,988)	(8,753)	(12,741)
Depreciation charge	-	(7,068)	(7,068)
At December 31	\$ 977,552	\$ 206,323	\$ 1,183,875

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Rental income from investment property	\$ 65,473	\$ 59,188
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 20,414	\$ 20,210

B. The fair value of the investment property held by the Company as at December 31, 2021 and 2020 ranged from \$3,042,152 to \$3,562,396, respectively, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers. Valuations were made using the comparative approach and income approach which is categorized within Level 3 in fair value hierarchy. Key assumptions are the discount rate of 2.39% to 2.41% and the growth rate of 3%.

C. No investment property of the Company was pledged to others.

(11) Intangible assets

Software and copyright	2021	2020
At January 1	\$ 162,265	\$ 84,728
Additions	195,756	103,435
Amortization charge	(67,301)	(25,898)
At December 31	\$ 290,720	\$ 162,265

A. Amortization charge on intangible assets are recognized as operating expenses.

B. No intangible assets of the Company were pledged to others.

(12) Other non-current assets

	December 31, 2021	December 31, 2020
Guarantee deposits paid	\$ 1,585,004	\$ 1,491,661
Others	14,519	9,909
	\$ 1,599,523	\$ 1,501,570

(13) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 3,500,000	0.38%~0.45%	None

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 3,100,000	0.49%	None

There was no capitalization of borrowing costs for the years ended December 31, 2021 and 2020, respectively. Relevant interest expenses on borrowings is recognized as "finance costs".

(14) Short-term notes and bills payable

	December 31, 2020	Pledged or secured
Commercial paper payable	\$ 3,400,000	Please refer to the below for details.
Less: Unamortized discount	(853)	
	\$ 3,399,147	
Interest rate range	0.408%	

A. There was no commercial paper payable transaction as at December 31, 2021.

B. The above commercial papers were issued and secured by Sumitomo Mitsui Banking Corporation and International Bills Finance Corporation for short-term financing.

(15) Other payables

	December 31, 2021	December 31, 2020
Store collections	\$ 13,807,553	\$ 10,519,829
Wages, salaries and bonus payable	1,162,839	1,415,217
Incentive bonus payable to franchisees	1,017,454	934,922
Payables for acquisition of property, plant and equipment	852,044	772,571
Employees' compensation and remuneration for directors	608,033	725,237
Payables for system development and maintenance expenses	128,749	116,246
Payables for labor and health insurance	80,060	75,593
Rent payable	44,237	39,357
Others	1,184,196	995,730
	<u>\$ 18,885,165</u>	<u>\$ 15,594,702</u>

(16) Other current liabilities

	December 31, 2021	December 31, 2020
Advance receipts for gift certificates	\$ 1,507,848	\$ 1,525,934
Others	231,308	154,619
	<u>\$ 1,739,156</u>	<u>\$ 1,680,553</u>

(17) Pensions

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 2.00% and 2.48% 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 of the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	(\$ 3,955,125)	(\$ 4,200,437)
Fair value of plan assets	1,256,993	1,331,845
Net defined benefit liability	<u>(\$ 2,698,132)</u>	<u>(\$ 2,868,592)</u>

(b) Movements in net defined benefit liability are as follows:

	2021		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 4,200,437)	\$ 1,331,845	(\$ 2,868,592)
Current service cost	(22,425)	-	(22,425)
Interest (expense) income	(12,470)	3,919	(8,551)
Past service cost	396	-	396
	(4,234,936)	1,335,764	(2,899,172)
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	20,560	20,560
Change in demographic assumptions	(10,987)	-	(10,987)
Change in financial assumptions	111,587	-	111,587
Experience adjustments	(27,994)	-	(27,994)
	72,606	20,560	93,166
Pension fund contribution	-	98,696	98,696
Paid pension	207,205	(198,027)	9,178
At December 31	(\$ 3,955,125)	\$ 1,256,993	(\$ 2,698,132)
	2020		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 4,193,734)	\$ 1,424,060	(\$ 2,769,674)
Current service cost	(26,417)	-	(26,417)
Interest (expense) income	(31,051)	10,455	(20,596)
Past service cost	(160)	-	(160)
	(4,251,362)	1,434,515	(2,816,847)
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	49,031	49,031
Change in demographic assumptions	(1,199)	-	(1,199)
Change in financial assumptions	(213,584)	-	(213,584)
Experience adjustments	49,625	-	49,625
	(165,158)	49,031	(116,127)
Pension fund contribution	-	48,291	48,291
Paid pension	216,083	(199,992)	16,091
At December 31	(\$ 4,200,437)	\$ 1,331,845	(\$ 2,868,592)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). Relating condition of execution is supervised by Labor Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Discount rate	0.55%	0.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 5th Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%

December 31, 2021

Effect on present value of defined benefit obligation	(\$ 108,545)	\$ 112,847	\$ 111,096	(\$ 107,483)
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	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%

December 31, 2020

Effect on present value of defined benefit obligation	(\$ 120,403)	\$ 125,341	\$ 121,375	(\$ 117,277)
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The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remained unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The method and assumption used in the current sensitivity analysis are the same as prior year.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2022 amount to \$40,265.

(f) As of December 31, 2021, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment is as follows:

Within 1 year	\$ 110,461
1-2 year(s)	131,353
2-5 years	488,684
Over 5 years	3,456,418
	<u>\$ 4,186,916</u>

B. 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. The pension costs under the Company's defined contribution pension plan for the years ended December 31, 2021 and 2020 were \$219,931 and \$215,011, respectively.

(18) Share capital

As of December 31, 2021, the Company's authorized capital was \$10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 shares as of December 31, 2021 and 2020.

(19) Capital surplus

In accordance with the Company Act of the Republic of China, any capital surplus arising from paid-in capital in excess of the 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 Securities and Exchange Law of the Republic of China requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as legal reserve. After setting aside or reversing a special reserve, in accordance with related laws, the remaining amount is distributable for the given period. The appropriation of the total distributable amount (that is, the distributable amount for the year along with accumulated unappropriated earnings from prior years) should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%-100% of the total distributable amount, and 50%-100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve is not be used for any other purpose. The use of the 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. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2020 and 2019 were resolved by the shareholders on July 16, 2021 and June 17, 2020, respectively, as follows:

	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,010,560		\$ 1,055,147	
Special reserve appropriated	952,434		380,187	
Cash dividends	9,356,600	\$ 9.00	9,356,600	\$ 9.00

- E. The appropriations for 2021 as resolved by the Board of Directors on February 24, 2022 is as follows:

	2021	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 804,972	
Special reserve appropriated	588,894	
Cash dividends - Retained earnings	7,495,676	\$ 7.21
Cash dividends - Legal reserve	1,860,924	1.79

(21) Other equity items

	2021		
	Financial statements translation differences of foreign operations	Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)
Revaluation and transfer:			
–The Company	-	206,082	206,082
–Subsidiaries	-	-	-
–Associates	-	1,556	1,556
Revaluation - tax	-	7,095	7,095
Currency translation differences:			
–The Company	(793,912)	-	(793,912)
–Subsidiaries	(1,339)	-	(1,339)
–Associates	(8,376)	-	(8,376)
At December 31	(\$ 2,776,895)	\$ 855,380	(\$ 1,921,515)

	2020		
	Financial statements translation differences of foreign operations	Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 869,908)	\$ 489,721	(\$ 380,187)
Revaluation and transfer:			
–The Company	-	152,712	152,712
–Subsidiaries	-	-	-
–Associates	-	(4,251)	(4,251)
Revaluation - tax	-	2,465	2,465
Currency translation differences:			
–The Company	(1,093,603)	-	(1,093,603)
–Subsidiaries	(340)	-	(340)
–Associates	(9,417)	-	(9,417)
At December 31	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)

(22) Operating revenue

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers	\$ 168,010,130	\$ 168,147,856

A. Disaggregation of revenue from contracts with customers

The Company operates a chain of retail stores and derives revenue from the transfer of goods and services over time and at a point in time. The operating revenue is categorized based on goods or services recognition timing as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Timing of revenue recognition		
–At a point in time	\$ 167,181,670	\$ 167,324,002
–Over time	828,460	823,854
	\$ 168,010,130	\$ 168,147,856

B. Contract liabilities

(a) The Company has recognized the following revenue-related contract liabilities:

	December 31, 2021	December 31, 2020
Contract liabilities – advance receipts of gift payments	\$ 4,107,662	\$ 2,855,217
Contract liabilities – franchise fee	261,638	252,918
Contract liabilities – customer loyalty programs	464,411	334,445
Contract liabilities – others	130,277	90,933
	<u>\$ 4,963,988</u>	<u>\$ 3,533,513</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$2,052,616 and \$817,955 for the years ended December 31, 2021 and 2020, respectively.

(23) Interest income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income	\$ 22,263	\$ 32,588

(24) Other income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Grants income	\$ 600,272	\$ 584,489
Rental revenue	199,156	196,889
Dividend income	82,168	61,961
Other income	630,984	578,116
	<u>\$ 1,512,580</u>	<u>\$ 1,421,455</u>

(25) Other gains and losses

	For the year ended December 31, 2021	For the year ended December 31, 2020
Gain from lease modification	\$ 70,238	\$ 56,083
Gain on disposal of investment property	22,549	2,682
(Loss) gain on disposal of property, plant and equipment	(3,085)	37,206
Others	(34,817)	(52,099)
	<u>\$ 54,885</u>	<u>\$ 43,872</u>

(26) Financial costs

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest expense	\$ 404,229	\$ 394,400

(27) Expenses by nature

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net cost of goods sold	\$ 109,478,428	\$ 109,222,692
Incentive bonuses for franchisees	22,365,078	22,732,406
Depreciation and amortization	11,052,031	9,998,105
Employee benefit expenses	6,922,452	7,203,073
Utilities expense	2,515,838	2,263,752
Operating lease payments	70,169	123,675
Other costs and expenses	9,808,502	9,085,476
Total operating costs and operating expenses	<u>\$ 162,212,498</u>	<u>\$ 160,629,179</u>

(28) Employee benefit expense

	For the year ended December 31, 2021	For the year ended December 31, 2020
Wages and salaries	\$ 5,677,962	\$ 5,949,019
Labor and health insurance fees	521,308	484,022
Pension costs	250,511	262,184
Directors' remuneration	162,498	191,433
Other personnel expenses	310,173	316,415
	<u>\$ 6,922,452</u>	<u>\$ 7,203,073</u>

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$455,764 and \$543,617, respectively; while directors' remuneration was accrued at \$152,269 and \$181,620, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46% of distributable profit of the current year for the year ended December 31, 2021. The employees' compensation and directors' remuneration as resolved by the Board of Directors were \$455,764 and \$152,269, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2020 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2020 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax**A. Income tax expense****(a) Components of income tax expense:**

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current tax:		
Current tax on profits for the year	\$ 1,435,034	\$ 1,738,626
Over provision of prior year's income tax	(42,797)	(149,412)
Total current tax	1,392,237	1,589,214
Deferred tax:		
Origination and reversal of temporary differences	(432,497)	(112,861)
Income tax expense	<u>\$ 959,740</u>	<u>\$ 1,476,353</u>

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

	For the year ended December 31, 2021	For the year ended December 31, 2020
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 7,095)	(\$ 2,465)
Remeasurement of defined benefit obligations	18,633	(23,225)
	<u>\$ 11,538</u>	<u>(\$ 25,690)</u>

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2021	For the year ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	\$ 1,964,272	\$ 2,342,903
Expenses disallowed by tax regulation	(335,278)	(61,047)
Tax on profit for using equity method by domestic subsidiaries	(626,067)	(656,029)
Over provision of prior year's income tax	(42,797)	(149,412)
Investment tax credit	(390)	(62)
Income tax expense	\$ 959,740	\$ 1,476,353

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

	2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Allowance for doubtful accounts	\$ 107	\$ -	\$ -	\$ 107
Unrealized expenses	95,971	53,705	-	149,676
Contract liabilities	67,078	25,993	-	93,071
Remeasurements of defined benefit obligation	530,830	-	(18,633)	512,197
Others	21,855	1,104	-	22,959
	715,841	80,802	(18,633)	778,010
Deferred tax liabilities				
Unrealized gain	(33,689)	(2,469)	7,095	(29,063)
Foreign investment income	(3,892,708)	354,164	-	(3,538,544)
	(3,926,397)	351,695	7,095	(3,567,607)
	(\$ 3,210,556)	\$ 432,497	(\$ 11,538)	(\$ 2,789,597)
	2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Allowance for doubtful accounts	\$ 199	(\$ 92)	\$ -	\$ 107
Unrealized expenses	221,464	(125,493)	-	95,971
Contract liabilities	43,446	23,632	-	67,078
Remeasurements of defined benefit obligation	507,605	-	23,225	530,830
Others	27,536	(5,681)	-	21,855
	800,250	(107,634)	23,225	715,841
Deferred tax liabilities				
Unrealized gain	(36,154)	-	2,465	(33,689)
Foreign investment income	(4,113,203)	220,495	-	(3,892,708)
	(4,149,357)	220,495	2,465	(3,926,397)
	(\$ 3,349,107)	\$ 112,861	\$ 25,690	(\$ 3,210,556)

D. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	For the year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 8,861,619	1,039,622	\$ 8.52
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 8,861,619	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,004	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 8,861,619	1,041,626	\$ 8.51
	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,238,162	1,039,622	\$ 9.85
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 10,238,162	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,358	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 10,238,162	1,041,980	\$ 9.83

(31) Supplemental cash flow information
Investing activities with partial cash payments

	For the year ended December 31, 2021	For the year ended December 31, 2020
Purchase of property, plant and equipment	\$ 4,713,519	\$ 4,353,546
Add: Opening balance of payable on equipment	772,571	889,974
Less: Ending balance of payable on equipment	(852,044)	(772,571)
Cash paid during the year	\$ 4,634,046	\$ 4,470,949

(32) Changes in liabilities from financing activities

	2021					
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
At January 1	\$ 3,100,000	\$ 3,399,147	\$ -	\$ 2,964,161	\$ 50,849,317	\$ 60,312,625
Changes in cash flow from financing activities	400,000	(3,399,147)	(9,356,600)	233,489	(7,648,601)	(19,770,859)
Interest paid (Note)	-	-	-	-	(355,278)	(355,278)
Changes in other non-cash items	-	-	9,356,600	-	10,623,948	19,980,548
At December 31	\$ 3,500,000	\$ -	\$ -	\$ 3,197,650	\$ 53,469,386	\$ 60,167,036

Note: Presented in cash flows from operating activities.

Parent Company Only
Financial Statements and
Report of Independent
Accountants

	2020					
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
At January 1	\$ 5,000,000	\$ -	\$ -	\$ 2,730,126	\$ 44,730,617	\$ 52,460,743
Changes in cash flow from financing activities	(1,900,000)	3,399,147	(9,356,600)	234,035	(7,096,154)	(14,719,572)
Interest paid (Note)	-	-	-	-	(338,828)	(338,828)
Changes in other non-cash items	-	-	9,356,600	-	13,553,682	22,910,282
At December 31	\$ 3,100,000	\$ 3,399,147	\$ -	\$ 2,964,161	\$ 50,849,317	\$ 60,312,625

Note: Presented in cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of December 31, 2021.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Uni-President Enterprises Corp.	Ultimate parent company
21 Century Co., Ltd.	Subsidiary
Books.com. Co., Ltd.	"
Capital Marketing Consultant Corp.	"
Duskin Serve Taiwan Co., Ltd.	"
ICASH Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
President Drugstore Business Corp.	"
Uni-President Department Store Corp.	"
President Information Corp.	"
President Logistics International Corp.	"
Uni-President Superior Commissary Corp.	"
President Pharmaceutical Corp.	"
President Transnet Corp.	"
Retail Support International Corp.	"
Uni-President Oven Bakery Corp.	"
Uni-President Cold-Chain Corp.	"
Q-ware Systems & Services Corp.	"
Wisdom Distribution Service Corp.	"
Uni-Wonder Corp.	"
Connection Labs Ltd.	"
Tung Ang Enterprises Corp.	Sister company
President Professional Baseball Team Corp.	"
Presco Netmarketing Inc.	"
Tait Marketing & Distribution Co., Ltd.	"
President Packaging Industrial Corp.	"
Lien Bo Corp.	"
Kai Ya Food Co., Ltd.	"
Uni-President Organics Corp.	Investee of the Company accounted for under the equity method
Mister Donut Taiwan Co., Ltd.	"
President Technology Corp.	"
Kuang Chuan Dairy Co., Ltd.	Investee of ultimate parent company accounted for under the equity method
Wei Lih Food Industrial Co., Ltd.	"
President Securities Corporation	"

(3) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2021	For the year ended December 31, 2020
Commission revenue from collection services		
Subsidiaries	\$ 555,678	\$ 502,161
Sister companies	6,162,043	4,471,967
Associates	5	9
	<u>\$ 6,717,726</u>	<u>\$ 4,974,137</u>

B. Purchases (net of purchase rebate)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ultimate parent company	\$ 15,832,285	\$ 16,248,126
Subsidiaries	6,218,480	5,448,084
Sister companies	4,676,063	4,406,082
Associates	208,430	163,984
Other related parties	729,009	862,931
	<u>\$ 27,664,267</u>	<u>\$ 27,129,207</u>

(a) The purchases above is a net amount after deducting the replacement for defects and rebate.

(b) The Company's purchases from the related parties are priced in accordance with the agreed terms that are generally not different from general vendors. The payment terms are net 10-60 days from the end of the month when invoice is issued and is generally not different from the general vendors.

C. Non-operating income

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ultimate parent company	\$ 42,202	\$ 39,005
Subsidiaries	1,019,264	947,365
Sister companies	6,543	6,121
Associates	20,083	20,046
Other related parties	59,791	39,696
	<u>\$ 1,147,883</u>	<u>\$ 1,052,233</u>

D. Receivables (payables) from related parties

Other receivables	December 31, 2021	December 31, 2020
Ultimate parent company	\$ 169,945	\$ 204,204
Subsidiaries	2,333,143	1,701,554
Sister companies	301,833	198,598
Associates	17,956	4,235
Other related parties	1	119
	<u>\$ 2,822,878</u>	<u>\$ 2,108,710</u>

Notes payable and accounts payable	December 31, 2021	December 31, 2020
Ultimate parent company	\$ 435,215	\$ 425,203
Subsidiaries	15,266,508	13,216,850
Sister companies	26,567	38,247
Associates	80,890	24,196
Other related parties	430	903
	<u>\$ 15,809,610</u>	<u>\$ 13,705,399</u>

Payables to related parties mainly arise from purchase transactions. Payables bear no interest.

E. Leasing arrangements – lessee

(a) The Company holds various lease agreements with related parties based on the market price. The leases were paid on a monthly basis.

(b) Acquisition of right-of-use assets

	For the year ended December 31, 2021	For the year ended December 31, 2020
Subsidiaries	\$ 8,314	\$ 7,636
Associates	-	43,535
Other related parties	26,178	11,686
Total	\$ 34,492	\$ 62,857

(c) Lease liabilities

	December 31, 2021	December 31, 2020
Ultimate parent company	\$ 404	\$ 1,607
Subsidiaries	52,278	63,709
Associates	45,946	55,055
Sister companies	48,194	49,505
Other related parties	412,654	462,544
Total	\$ 559,476	\$ 632,420

F. Property transaction

(a) Acquisition of financial assets

	Accounts	No. of shares	Objects	For the year ended December 31, 2021
				Consideration
Subsidiary	Investments accounted for using equity method	11,722,779	Connection Labs Ltd.	\$ 102,963

(b) Acquisition of other assets

	Accounts	Year ended December 31, 2021	Year ended December 31, 2020
		Consideration	Consideration
Subsidiaries	Intangible assets	\$ 60,780	\$ 29,406
Associates	"	118,842	37,511
Total		\$ 179,622	\$ 66,917

(4) Key management compensation

	For the year ended December 31, 2021	For the year ended December 31, 2020
Other short-term employee benefits	\$ 225,615	\$ 296,923

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives in this area are to retain the confidence of investors and the market, to fund future capital expenditures and stable dividend flows for ordinary shares, and to maintain the most appropriate capital structure to maximize the equity interest of shareholders.

(2) Financial instruments**A. Financial instruments by category**

	December 31, 2021	December 31, 2020
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 85,480	\$ 85,523
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,165,909	\$ 959,827
Financial assets at amortized cost		
Cash and cash equivalents	\$ 10,719,621	\$ 10,997,277
Accounts receivable, net	733,144	592,746
Other receivables	4,320,660	3,052,702
Other current assets (Note)	239,422	963,764
Guarantee deposit paid	1,585,004	1,491,661
	<u>\$ 17,597,851</u>	<u>\$ 17,098,150</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 3,500,000	\$ 3,100,000
Short-term notes and bills payable	-	3,399,147
Notes payable	7,358,918	5,456,229
Accounts payable	11,553,906	10,616,541
Other payables	18,885,165	15,594,702
Guarantee deposit received	3,197,650	2,964,161
	<u>\$ 44,495,639</u>	<u>\$ 41,130,780</u>
Lease liabilities	<u>\$ 53,469,386</u>	<u>\$ 50,849,317</u>

Note: The Company's trust account for advance receipts of gift certificates and gift payments.

B. Risk management policies

- (a) The Company's risk management and hedging policies mainly focus on hedging business risk. The Company also establishes hedge positions when trading derivative financial instruments. The choice of instruments should hedge risks relating to interest expense, assets or liabilities arising from business operations.
- (b) For managing derivative instruments, the treasury department is responsible for managing trading positions of derivative instruments and assess market values periodically. If transactions and gains (losses) are abnormal, the treasury will respond accordingly and report to the Board of Directors immediately.
- (c) There is no related transaction about derivative financial instruments that are used to hedge certain exchange rate risk.

C. Significant financial risks and degrees of financial risks**(a) Market risk**Foreign exchange risk

- I. The Company operates internationally and is exposed to foreign exchange risk arising from of the Company used in various functional currency, the transactions primarily with respect to the USD and RMB. Exchange risk arises from future commercial transactions and recognized assets and liabilities.
- II. Management has set up a policy to require the segments to manage their foreign exchange risk against their functional currencies.

III. The Company's businesses involve some non-functional currency operations (the Company's functional currency is New Taiwan dollar, NTD). The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 842,700	0.2405	\$ 202,669
<u>Investments accounted for using equity method</u>			
USD: NTD	836,143	27.6800	23,144,443
(Foreign currency: functional currency)	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 861,900	0.2763	\$ 238,143
<u>Investments accounted for using equity method</u>			
USD: NTD	883,748	28.4800	25,169,157

IV. The total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company amounted to (\$327) and \$160 for the years ended December 31, 2021 and 2020, respectively.

V. Analysis of foreign currency market risk arising from significant foreign exchange variation: Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of investments accounted for using equity method denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2021 and 2020 would increase/decrease by \$1,157,222 and \$1,258,458, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of financial assets at fair value through other comprehensive income – non-current denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2021 and 2020 would increase/decrease by \$10,133 and \$11,907, respectively.

Price risk

- I. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- II. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, with all other variables held constant, the post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$4,274 and \$4,276, 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 \$58,295 and \$47,991, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from short-term borrowings. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

(b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Company manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.
- III. The Company adopts management of credit risk, whereby the default occurs when the contract payments are past due over certain number of days.
- IV. The Company assesses whether there has been a significant increase in credit risk on that instrument since initial recognition if the contract payments were past due over certain number of days based on the terms.
- V. The Company operates a chain of retail stores, thus the ratio of accounts receivable to total asset is low and the probability that accounts receivable cannot be received is low. For accounts receivable from other transactions, the Company manages individually and follow up regularly. The Company assesses credit impairment loss immaterial at December 31, 2021 and 2020.
- VI. The Company has no written-off financial assets that are still under recourse procedures on December 31, 2021 and 2020.

(c) Liquidity risk

- I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- II. The Company invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Company held no money market funds at December 31, 2021 and 2020, respectively.
- III. The Company has undrawn borrowing facilities beyond one year of \$14,058,263 and \$9,547,456 as of December 31, 2021 and 2020, respectively.
- IV. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are about to book value, maturing within one-year, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:				
December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 3,500,759	\$ -	\$ -	\$ -
Lease liabilities	8,263,489	8,092,149	7,519,834	31,177,635
Non-derivative financial liabilities:				
December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 3,100,464	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,399,147	-	-	-
Lease liabilities	8,132,305	7,984,192	7,557,734	30,975,210

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

(3) Fair value information

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

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

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

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

B. Fair value information of the Company's investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2021			
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposit paid	\$ 1,585,004	\$ -	\$ -	\$ 1,572,071
<u>Financial liabilities:</u>				
Guarantee deposit received	\$ 3,197,650	\$ -	\$ -	\$ 3,176,369

	December 31, 2020			
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposit paid	\$ 1,491,661	\$ -	\$ -	\$ 1,479,677
<u>Financial liabilities:</u>				
Guarantee deposit received	\$ 2,964,161	\$ -	\$ -	\$ 2,945,348

(b) Guarantee deposits paid/received are measured at fair value, which is calculated based on the discounted future cash flow.

D. The related information for 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 is as follows:

(a) Classification according to the nature of assets and liabilities, relevant information is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
<u>Financial assets at fair value through profit or loss</u>				
Equity securities	\$ -	\$ -	\$ 85,480	\$ 85,480
<u>Financial assets at fair value through other comprehensive income</u>				
Equity securities	1,161,561	-	4,348	1,165,909
	\$ 1,161,561	\$ -	\$ 89,828	\$ 1,251,389

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	\$ -	\$ -	\$ 85,523	\$ 85,523
Financial assets at fair value through other comprehensive income				
Equity securities	955,479	-	4,348	959,827
	\$ 955,479	\$ -	\$ 89,871	\$ 1,045,350

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

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

	Listed shares
Market quoted price	Closing price

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

- E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2021 and 2020, there was no significant transfer in or out of Level 3.
- G. The Company is in charge of valuation procedures for fair value measurements being categorized within Level 3, which aim to verify the independent fair value of financial instruments. Such assessments are to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the information resources are independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighboring area.
- H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.47	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value
	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,871	Market comparable companies	Price to book ratio multiplier	2.58	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

- I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. If net assets value from financial assets and liabilities categorised within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2021 and 2020.

(4) Other information

Due to the outbreak of the COVID-19 pandemic and the impact of the government's prevention measures, some convenience stores of the Company were temporarily closed or reduced their operating hours. In response to the prevention measures, the Company has adopted related measures and continued to launch several promotion programs. The working capital of the Company is still sufficient and all operating departments are operating normally. However, the subsequent sales performance and the extent of actual impact would depend on the development of the pandemic situation.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to Table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

List of shareholders holding more than 5% (inclusive) of shares: Please refer to Table 10.

14. SEGMENT INFORMATION

None.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Loans to others

Table 1

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
													Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 40,000	\$ 40,000	\$ 20,000	0.65%	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 288,637	\$ 288,637	

Note: The maximum amount for total loan and the maximum amount of individual enterprise are 40% of its net worth.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Table 2

December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
	Stock:							
President Chain Store Corp.	President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss – non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,461	5.37	14,461	
President Chain Store Corp.	Kaohsiung Rapid Transit Corp.	"	"	2,572,127	25,721	0.92	25,721	
Mech-President Corp.	Yamay International Development Corp.	"	"	9	-	-	-	
President Chain Store Corp.	President Securities Corp.	Investee of Uni-President Enterprises Corp. under the equity method	Financial assets at fair value through other comprehensive income – non-current	40,545,111	958,892	2.79	958,892	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	202,669	0.61	202,669	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
	Beneficiary certificates:							
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss – current	1,462,234	\$ 20,001	-	\$ 20,001	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	474,208	8,001	-	8,001	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	2,266,034	33,961	-	33,961	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,462,234	20,001	-	20,001	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	296,389	5,001	-	5,001	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	499,153	7,481	-	7,481	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	4,986,489	68,208	-	68,208	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	28,384,280	390,000	-	390,000	
21 Century Co., Ltd.	Prudential Financial Money Market Fund	"	"	1,875,985	30,000	-	30,000	
21 Century Co., Ltd.	FSITC Taiwan Money Market Fund	"	"	4,201,328	65,000	-	65,000	
President Being Corp.	CTBC Hua Win Money Market Fund	"	"	1,123,507	12,501	-	12,501	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

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

Table 3

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal				Other increase (decrease)		Balance as at December 31, 2021	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
Beneficiary certificates:																
President Chain Store Corp.	UPAMC James Bond Money Market Fund	Note 1	Not applicable	Not applicable	-	\$ -	59,316,555	\$ 1,000,000	59,316,555	\$ 1,000,380	\$ 1,000,000	\$ 380	-	\$ -	-	\$ -
Books.com. Co., Ltd.	Capital Money Market Fund	"	"	"	1,229,732	20,002	46,206,271	752,000	47,436,003	772,069	772,000	69	-	(2)	-	-
Books.com. Co., Ltd.	Jih Sun Money Market Fund	"	"	"	2,675,943	40,005	39,277,758	588,000	41,953,701	628,399	628,000	399	-	(5)	-	-
Books.com. Co., Ltd.	Union Money Market Fund	"	"	"	3,756,884	50,003	119,334,505	1,590,100	123,091,389	1,640,289	1,640,100	189	-	(3)	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	5,960,766	81,340	29,826,431	407,500	34,324,963	468,905	468,833	72	-	(6)	1,462,234	20,001
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	2,725,601	45,902	22,604,290	381,000	24,855,683	418,935	418,900	35	-	(1)	474,208	8,001
Uni-Wonder Corp.	Union Money Market Fund	"	"	"	22,539,952	300,000	22,526,750	300,000	45,066,702	600,270	600,000	270	-	-	-	-
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	"	"	"	18,142,352	280,000	36,246,663	560,000	54,389,015	840,388	840,000	388	-	-	-	-
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	"	"	"	19,789,597	250,000	71,180,603	900,000	90,970,200	1,150,343	1,150,000	343	-	-	-	-
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	"	"	"	7,328,208	100,000	14,641,879	200,000	21,970,087	300,147	300,000	147	-	-	-	-
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	"	13,307,511	198,948	191,453,968	2,865,989	202,495,446	3,031,345	3,030,975	370	1	(1)	2,266,034	33,961
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	2,957,710	40,361	43,217,045	590,400	41,188,265	562,669	562,551	118	(1)	(2)	4,986,489	68,208
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	"	25,961,335	366,000	141,002,275	1,936,000	138,579,330	1,902,413	1,902,000	413	-	-	28,384,280	390,000
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	43,199,536	590,000	43,199,536	590,056	590,000	56	-	-	-	-
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	4,489,979	61,406	22,250,503	304,000	25,288,247	345,449	345,401	48	(1)	(4)	1,462,234	20,001
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	772,065	13,002	18,806,553	317,000	19,282,229	325,025	325,001	24	-	-	296,389	5,001
Stock:																
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Note 2	Issuance of common stock for cash	Parent company to subsidiary	-	\$ 173,272	-	\$ 304,824	-	\$ -	\$ -	\$ -	-	(\$ 122,935)	-	\$ 355,161
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	"	"	"	-	2,329,244	-	1,083,656	-	-	-	-	-	(1,256,638)	-	2,156,242
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	"	Not applicable	Not applicable	394,970,516	2,327,307	20,134,811	1,083,656	-	-	-	-	-	(1,256,224)	415,105,327	2,154,739

Note 1: The security was recognized as "Financial assets at fair value through profit or loss-current".

Note 2: The security was recognized as "Investments accounted for using equity method".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more

Table 4

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Corporation of acquisition	Name of property	Date of acquisition	Trade amount	Status of payment of proceeds	Name of the counter-party	Relationship	The last transfer data of counter-party				Basis for price determination	Reason for acquisition	Other terms
							Owner	Relationship	Transfer Day	Amount			
Wisdom Distribution Service Corp.	Land of Xinhui Anle Dist., Keelung City	November 3, 2021	\$763,960	100 million was paid for the first installment	Shun Chuan Warehousing Co., Ltd.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the appraisal results of Evermore Appraisers Firm and market conditions to bargain.	Based on the comprehensive planning of the company	Not applicable

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

Table 5

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	\$ 15,832,285	14	Net 30-40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,375,949)	(7)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	4,046,981	4	Net 45 days from the end of the month when invoice is issued	"	"	(711,748)	(4)	
	Tung Ang Enterprises Corp.	Sister company	"	2,173,319	2	Net 30 days from the end of the month when invoice is issued	"	"	(153,723)	(1)	
	21 Century Co., Ltd.	Subsidiary	"	805,000	1	Net 30-60 days from the end of the month when invoice is issued	"	"	(160,885)	(1)	
	Tait Marketing & Distribution Co., Ltd.	Sister company	"	638,820	1	Net 20-70 days from the end of the month when invoice is issued	"	"	(113,038)	(1)	
	Kai Ya Food Co., Ltd.	"	"	633,834	1	Net 40 days from the end of the month when invoice is issued	"	"	(106,688)	(1)	
	Lien Bo Corp.	"	"	622,192	1	Net 10-54 days from the end of the month when invoice is issued	"	"	(82,512)	-	
	Q-ware Systems & Services Corp.	Subsidiary	"	620,130	1	Net 40 days from the end of the month when invoice is issued	"	"	(116,807)	(1)	
	President Transnet Corp.	"	"	543,944	-	Net 60 days from the end of the month when invoice is issued	"	"	(90,042)	-	
	President Pharmaceutical Corp.	"	"	530,212	-	Net 60-70 days from the end of the month when invoice is issued	"	"	(109,635)	(1)	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	414,073	-	Net 30-65 days from the end of the month when invoice is issued	"	"	(133,230)	(1)	
	President Packaging Industrial Corp.	Sister company	"	413,268	-	Net 15-60 days from the end of the month when invoice is issued	"	"	(91,208)	-	
	President Drugstore Business Corp.	Subsidiary	"	262,841	-	Net 30-60 days from the end of the month when invoice is issued	"	"	(33,068)	-	
	Wei Lih Food Industrial Co., Ltd.	Other related party	"	263,514	-	Net 30-60 days from the end of the month when invoice is issued	"	"	(36,994)	-	
	Presco Netmarketing, Inc.	Sister company	"	150,670	-	Net 30-90 days from the end of the month when invoice is issued	"	"	(35,464)	-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(217,321)	(71)	Net 45-65 days from the end of the month when invoice is issued	"	"	54,043	67	
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(743,237)	(33)	Net 40 days from the end of the month when invoice is issued	"	"	134,165	49	
	President Logistics International Corp.	Parent company	"	(1,427,018)	(64)	Net 20 days from the end of the month when invoice is issued	"	"	135,226	49	
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	743,237	7	Net 40 days from the end of the month when invoice is issued	"	"	(134,165)	(6)	
	President Chain Store Corp.	Parent company	Sales revenue	(543,944)	(62)	Net 60 days from the end of the month when invoice is issued	"	"	90,042	5	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	381,463	9	Net 30 days from the end of the month when invoice is issued	"	"	(46,920)	(7)	
	Tong Zhan Corporation Ltd.	Other related party	"	899,185	21	Net 25 days from the end of the month when invoice is issued	"	"	(105,493)	(15)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	221,261	5	Net 29 days from the end of the month when invoice is issued	"	"	(24,084)	(3)	
Uni-Wonder Corp.	Tait Marketing & Distribution Co., Ltd.	Other related party	"	144,531	3	Net 30 days from the end of the month when invoice is issued	"	"	(23,110)	(3)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(1,143,317)	(64)	Net 45 days from the end of the month when invoice is issued	"	"	304,011	70	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	"	(107,278)	(6)	Net 45 days from the end of the month when invoice is issued	"	"	20,970	5	

Parent Company Only
Financial Statements and
Report of Independent
Accountants

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	\$ 1,427,018	38	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 135,226) (	32)
	Retail Support International Corp.	Parent company	Delivery revenue	(881,564) (	23)	Net 20 days from the end of the month when invoice is issued	"	"	85,769	21
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	(1,239,365) (	32)	Net 20 days from the end of the month when invoice is issued	"	"	113,349	28
	Wisdom Distribution Service Corp.	"	"	(1,484,752) (	38)	Net 20 days from the end of the month when invoice is issued	"	"	180,599	44
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	881,564	48	Net 20 days from the end of the month when invoice is issued	"	"	(85,769) (	40)
	Retail Support Taiwan Corp.	"	"	312,139	17	Net 15-20 days from the end of the month when invoice is issued	"	"	(27,544) (	13)
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(221,261) (	7)	Net 29 days from the end of the month when invoice is issued	"	"	24,084	8
Uni-President Cold-Chain Corp.	President Logistics International Corp.	"	Service cost	1,239,365	39	Net 20 days from the end of the month when invoice is issued	"	"	(113,349) (	2)
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	1,484,752	42	Net 20 days from the end of the month when invoice is issued	"	"	(180,599) (	31)
	Books.com. Co., Ltd.	"	Service revenue	(323,146) (	8)	Net 30-90 days from the end of the month when invoice is issued	"	"	27,634	7
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	(620,130) (	54)	Net 40 days from the end of the month when invoice is issued	"	"	116,807	52
President Drugstore Business Corp.	President Chain Store Corp.	"	Sales revenue	(262,841) (	2)	Net 30-60 days from the end of the month when invoice is issued	"	"	33,068	4
	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	553,765	5	Net 60-80 days from the end of the month when invoice is issued	"	"	(11,399) (	1)
	President Being Corp.	"	"	101,649	1	Net 30-60 days from the end of the month when invoice is issued	"	"	(5,831)	-	
President Pharmaceutical Corp.	President Drugstore Business Corp.	"	Sales revenue	(553,765) (	32)	Net 60-80 days from the end of the month when invoice is issued	"	"	11,399	2
	President Chain Store Corp.	Parent company	"	(530,212) (	30)	Net 60-70 days from the end of the month when invoice is issued	"	"	109,635	23
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	(4,046,981) (	97)	Net 45 days from the end of the month when invoice is issued	"	"	711,748	95
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	154,021	6	Net 60 days from the end of the month when invoice is issued	"	"	(36,629) (	5)
	Koasa Yamako Corp.	Other related party	"	228,902	8	Net 60 days from the end of the month when invoice is issued	"	"	(60,961) (	8)
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	Sales revenue	(805,000) (	52)	Net 30-60 days from the end of the month when invoice is issued	"	"	160,885	64
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent company	Delivery revenue	(312,139) (	85)	Net 15-20 days from the end of the month when invoice is issued	"	"	27,544	65
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	(249,832) (	18)	Net 15-60 days from the end of the month when invoice is issued	"	"	50,976	22
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	"	Delivery revenue	(138,381) (	32)	Net 80 days from the end of the month when invoice is issued	"	"	38,152	40
Shanghai President Logistic Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Subsidiary	Service cost	138,381	19	Net 80 days from the end of the month when invoice is issued	"	"	(38,152) (	32)
ICASH Corp.	President Chain Store Corp.	Parent company	Service revenue	(273,373) (	38)	Net 60 days from the end of the month when invoice is issued	"	"	64,278	55
President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary of President Chain Store Corp.	Delivery revenue	(120,652) (	92)	Net 30 days from the end of the month when invoice is issued	"	"	10,285	85
Shan Dong President Yinzuo Commercial Limited	President Logistic ShanDong Co., Ltd.	"	Service cost	120,652	5	Net 30 days from the end of the month when invoice is issued	"	"	(10,285) (	2)
Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	"	Delivery revenue	(100,934) (	12)	Net 58 days from the end of the month when invoice is issued	"	"	8,608	6
President Chain Store (Shanghai) Ltd.	Shanghai President Logistic Co., Ltd.	"	Service cost	100,934	8	Net 58 days from the end of the month when invoice is issued	"	"	(8,608) (	5)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Being Corp.	President Drugstore Business Corp.	"	Sales revenue	(101,649)	(79)	Net 30-60 days from the end of the month when invoice is issued	"	"	5,831	37	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Receivables from related parties reaching \$100 million or 20% of paid-in capital or more

Table 6

December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	\$ 304,011	5.54	\$ -	None	\$ 280,648	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	711,748	5.68	-	"	350,460	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	116,807	5.51	-	"	38,131	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	109,635	4.71	-	"	32,530	-
21 Century Co., Ltd.	President Chain Store Corp.	"	160,885	5.78	-	"	146,244	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	180,599	8.92	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	113,349	11.13	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	135,226	11.50	-	"	-	-
Chieh Shun Logistics International Corp.	President Transnet Corp.	"	134,165	6.85	-	"	64,964	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periodsFor the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount	Transaction terms	
1	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Other operating revenue	\$ 489,906	Net 20 days from the end of the month when invoice is issued	0.19
2	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(217,321)	Net 45-65 days from the end of the month when invoice is issued	0.08
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,143,317)	Net 45 days from the end of the month when invoice is issued	0.44
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	304,011	Net 45 days from the end of the month when invoice is issued	0.14
3	President Information Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Service revenue	(107,278)	Net 45 days from the end of the month when invoice is issued	0.04
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(620,130)	Net 40 days from the end of the month when invoice is issued	0.24
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	116,807	Net 40 days from the end of the month when invoice is issued	0.05
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(4,046,981)	Net 45 days from the end of the month when invoice is issued	1.54
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	711,748	Net 45 days from the end of the month when invoice is issued	0.33
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(553,765)	Net 70 days from the end of the month when invoice is issued	0.21
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(530,212)	Net 60-70 days from the end of the month when invoice is issued	0.20
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	109,635	Net 60-70 days from the end of the month when invoice is issued	0.05
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(543,944)	Net 60 days from the end of the month when invoice is issued	0.21
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,427,018)	Net 20 days from the end of the month when invoice is issued	0.54
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	135,226	Net 20 days from the end of the month when invoice is issued	0.06
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Accounts receivable	134,165	Net 40 days from the end of the month when invoice is issued	0.06
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(743,237)	Net 40 days from the end of the month when invoice is issued	0.28
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(881,564)	Net 20 days from the end of the month when invoice is issued	0.34
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,239,365)	Net 20 days from the end of the month when invoice is issued	0.47
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(1,484,752)	Net 20 days from the end of the month when invoice is issued	0.57
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	180,599	Net 20 days from the end of the month when invoice is issued	0.08
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	113,349	Net 20 days from the end of the month when invoice is issued	0.05
10	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(249,832)	Net 15-60 days from the end of the month when invoice is issued	0.10
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(805,000)	Net 30-60 days from the end of the month when invoice is issued	0.31

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	\$ 160,885	Net 30~60 days from the end of the month when invoice is issued	0.08
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(323,146)	Net 30~90 days from the end of the month when invoice is issued	0.12
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(312,139)	Net 15~20 days from the end of the month when invoice is issued	0.12
14	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary to subsidiary	Delivery revenue	(138,381)	Net 80 days from the end of the month when invoice is issued	0.05
15	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(273,373)	Net 60 days from the end of the month when invoice is issued	0.10
16	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(221,261)	Net 29 days from the end of the month when invoice is issued	0.08
17	President Being Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(101,649)	Net 30~60 days from the end of the month when invoice is issued	0.04
18	President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary to subsidiary	Delivery revenue	(120,652)	Net 30 days from the end of the month when invoice is issued	0.05
19	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(262,841)	Net 30~60 days from the end of the month when invoice is issued	0.10
20	Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary to subsidiary	Delivery revenue	(100,934)	Net 58 days from the end of the month when invoice is issued	0.04

Note: Transaction among the company and subsidiaries with amount over NT\$100,000, only one side of the transactions are disclosed.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

Table 8

For the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 23,075,419	(\$ 302,597)	(\$ 302,602)	Subsidiary
President Chain Store Corp.	President Drugstore Business Corp.	Taiwan	Sales of cosmetics, medicines and daily items	288,559	288,559	78,520,000	100.00	1,458,917	275,582	275,581	Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,330,196	1,426,559	998,591	Subsidiary
President Chain Store Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	904,475	904,475	55,858,815	80.87	811,447	204,366	165,273	Subsidiary
President Chain Store Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	330,216	330,216	22,121,962	73.74	680,901	103,529	76,342	Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	454,934	128,628	90,039	Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	544,724	64,270	57,689	Subsidiary
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	237,437	237,437	42,934,976	60.00	956,984	400,764	240,458	Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	513,555	92,039	79,154	Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	409,164	104,674	90,913	Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	10,847,421	100.00	543,055	330,520	330,519	Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	411,281	402,308	201,255	Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,889	(108)	(108)	Subsidiary
President Chain Store Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	102,000	102,000	10,199,999	51.00	220,426	177,562	90,513	Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	470,616	(110,389)	(110,389)	Subsidiary
President Chain Store Corp.	Uni-President Development Corp.	Taiwan	Construction, development and operation of an MRT station	720,000	720,000	72,000,000	20.00	757,554	96,525	19,307	Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,832,636	362,437	124,266	Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	173,630	213,822	53,455	Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	5,077,087	1,554,415	296,773	Note
President Chain Store Corp.	President Fair Development Corp.	Taiwan	Operation of shopping mall, department store, international trade, etc.	3,191,700	3,191,700	190,000,000	19.00	2,123,492	203,642	38,692	Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	447,310	831,243	30,749	Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	60,012	(104,395)	(10,941)	Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	46,387	(18,440)	(17,647)	Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	78,684	37,068	37,098	Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	69,024	2,299	2,120	Subsidiary
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Insurance brokers	213,000	213,000	1,500,000	100.00	35,988	17,237	17,238	Subsidiary
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	170,000	170,000	12,244,390	100.00	27,542	4,680	4,680	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(100,830)	(70,129)	(70,130)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	144,394	41,489	41,490	Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Trade and enterprise management consultancy	35,648	35,648	9,800	100.00	86,727	8,383	8,377	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	391,300	391,300	6,511,963	100.00	(148,621)	(62,427)	(62,426)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	96,618	108,278	75,794	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ 200,000	\$ 200,000	7,500,049	50.00	\$ 97,728	\$ 18,723	\$ 9,361	Note
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	47,293	36,601	13,420	Note
President Chain Store Corp.	President Technology Corp., etc.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	26,723	42,873	6,430	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	102,963	-	11,722,779	100.00	39,859	(59,691)	(63,106)	Subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	23,681	8,888	5,333	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	20,483	20,483	740,000	7.80	5,839	2,299	179	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	1,873,752	807,241	67,693,370	100.00	2,156,242	(106,740)	(106,740)	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,311,351	4,311,351	134,603,354	100.00	3,498,271	(251,896)	(251,896)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	1,872,977	806,466	415,105,327	54.88	2,154,739	(199,643)	(106,357)	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	345,909	45,385	45,385	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	178,024	178,024	5,935,900	100.00	5,032	(32,709)	(32,709)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	402,308	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	128,628	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	204,366	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	92,039	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,426,559	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	104,674	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	177,562	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	103,529	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	-	-	1	-	-	18,723	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	64,270	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	400,764	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	213,822	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	108,278	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	British Virgin Islands	Professional investment	60,374	60,374	2,000,000	100.00	27,170	(21,614)	(21,614)	Subsidiary of a subsidiary
Retail Support International Corp.	Retail Support Taiwan Corp.	Taiwan	Room-temperature logistics and warehousing	15,300	15,300	2,871,300	51.00	75,102	45,248	23,077	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	179,617	88,795	43,510	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	21,994	88,795	5,328	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	91,641	88,795	22,199	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	British Virgin Islands	Professional investment	87,994	87,994	2,990	100.00	114,133	5,294	5,294	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	73,313	88,795	17,759	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,427	24,427	12,500,000	100.00	24,427	(4,310)	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	26,459	26,459	40,000	100.00	26,459	1,347	-	Subsidiary of a subsidiary

Note: The investee was recognized using equity method by the company.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland ChinaFor the year ended December 31, 2021
Expressed in thousands of NTD
(Except as otherwise indicated)

Table 9

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net profit(loss) of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Book value of investments in December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 435,487	Note 1	\$ 260,670	\$ -	\$ -	\$ 260,670	\$ 2,398	100.00	\$ 2,398	\$ 74,503	\$ -	Note 2
President Chain Store (Shanghai) Ltd.	Coverience Store	2,700,019	Note 1	2,700,019	-	-	2,700,019	(150,319)	100.00	(150,319)	293,362	-	Note 2
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	55,360	Note 1	55,360	-	-	55,360	71,071	100.00	71,071	592,342	-	Note 2
Shan Dong President Yinzuo Commercial Limited	Supermarkets	261,292	Note 1	112,889	-	-	112,889	(144,465)	55.00	(79,000)	59,624	7,197	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	170,525	Note 1	170,525	-	-	170,525	(30,377)	73.74	(22,400)	(13,550)	51,479	Note 2
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	174,195	Note 1	163,582	-	-	163,582	10,716	80.00	8,636	182,722	23,593	Note 2
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	261,292	Note 1	261,292	-	-	261,292	37,485	100.00	37,485	419,677	-	Note 2
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	217,744	Note 1	217,744	-	-	217,744	14,044	100.00	14,044	219,293	-	Note 2
President Chain Store (Zhejiang) Ltd.	Coverience Store	914,523	Note 1	609,682	304,841	-	914,523	(122,224)	100.00	(122,224)	355,161	-	Note 2
Beauty Wonder (Zhejiang) Trading Co., Ltd.	Sales of cosmetics and daily items	261,292	Note 1	130,646	130,646	-	261,292	(38,483)	100.00	(38,483)	126,870	-	Note 2

Note 1: Indirect investment in PRC through the existing company located in the third area.

Note 2: The financial statements were reviewed by the CPA of parent company in Taiwan.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	\$ 4,266,541	\$ 8,499,107	\$ 25,674,895
President Pharmaceutical Corp.	170,525	170,525	432,955
Uni-President Cold-Chain Corp.	82,138	82,138	944,659
Ren-Hui Investment Corp.	47,701	47,701	80,000

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares

December 31, 2021

Table 10

Shareholder name	Shares held as at December 31, 2021	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

Note : The above information is provided by the Taiwan Depository & Clearing Corp.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS**DECEMBER 31, 2021
Expressed in thousands of NTD

Statement 1

Item	Description	Amount
Petty cash in store		\$ 979,358
Demand deposits and checking accounts		9,440,263
Cash equivalents		
Time deposits – New Taiwan dollar	Due date is March 2022, and interest rates are at 0.15%-0.53%.	300,000
		<u>\$ 10,719,621</u>

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021**

Expressed in thousands of NTD

Statement 2

Item	Description	Amount		Footnote
		Cost	Market value	
Merchandise		\$ 10,002,185	\$ 11,630,442	The net realizable value is the market value.
Less: Allowance for valuation loss		(21,870)		
		<u>\$ 9,980,315</u>		

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME – NON-CURRENT**FOR THE YEAR ENDED DECEMBER 31, 2021
Expressed in thousands of NTD

Statement 3

Name	Balance as of January 1, 2021		Additions(Note)		Decreases		Balance as of December 31, 2021		Collateral
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	
Listed stocks									
President Securities Corp.	38,985,684	\$ 140,534	1,559,427	\$ -	-	\$ -	40,545,111	\$ 140,534	None
Duskin Co., Ltd.	300,000	125,072	-	-	-	-	300,000	125,072	"
Unlisted stocks									
Koasa Yamako Corp.	650,000	4,348	-	-	-	-	650,000	4,348	"
Subtotal		269,954		-		-		269,954	
Valuation adjustment		689,873		206,082		-		895,955	
		<u>\$ 959,827</u>		<u>\$ 206,082</u>		<u>\$ -</u>		<u>\$ 1,165,909</u>	

Note: The number of share and amount increased this year due to share dividends paid from investee and measured at fair value.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR
LOSS – NON-CURRENT**

FOR THE YEAR ENDED DECEMBER 31, 2021

Expressed in thousands of NTD

Statement 4

Name	Balance as of January 1, 2021		Additions (Note1)		Decreases (Note2)		Balance as of December 31, 2021		Collateral
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	
Unlisted stocks									
PK Venture Capital Corp.	321,300	\$ 33,685	-	\$ -	(321,300)	(\$ 33,685)	-	\$ -	None
Kaohsiung Rapid Transit Corp.	2,572,127	203,714	-	-	-	-	2,572,127	203,714	"
Career Consulting Co. Ltd	837,753	14,504	-	-	-	(43)	837,753	14,461	"
President Investment Trust Corp.	2,667,600	22,800	-	-	-	-	2,667,600	22,800	"
Subtotal		274,703		-		(33,728)		240,975	
Valuation adjustment		(189,180)		33,685		-		(155,495)	
		<u>\$ 85,523</u>		<u>\$ 33,685</u>		<u>(\$ 33,728)</u>		<u>\$ 85,480</u>	

Note1: The amount increased this year due to measurement at fair value and completed the liquidation and cancellation.

Note2: The amount decreased this year due to measurement at fair value, completed the liquidation and cancellation and cash dividends paid from capital surplus.

PRESIDENT CHAIN STORE CORP. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 5

Expressed in thousands of NTD

Name	Balance as of January 1, 2021		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2021			Market price or Equity of subsidiaries and Associates		Collateral
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Percentage of ownership	Amount	Unit price	Total price	
President Chain Store (BVI) Holdings Ltd.	171,589,586	\$ 25,102,119	-	\$ -	-	(\$ 302,602)	(\$ 1,724,098)	171,589,586	100.00	\$ 23,075,419	\$ 134.48	\$ 23,075,419	None
President Drugstore Business Corp.	78,520,000	1,445,303	-	275,581	-	-	(261,967)	78,520,000	100.00	1,458,917	18.58	1,458,917	"
President Transnet Corp.	103,496,399	1,882,686	-	998,591	-	-	(551,081)	103,496,399	70.00	2,330,196	22.33	2,311,354	"
Mech-President Corp.	55,858,815	747,097	-	165,273	-	-	(100,923)	55,858,815	80.87	811,447	14.53	811,447	"
President Pharmaceutical Corp.	22,121,962	699,003	-	76,342	-	-	(84,444)	22,121,962	73.74	690,901	24.05	532,101	"
Uni-President Department Store Corp.	27,999,999	530,898	-	90,039	-	-	(166,003)	27,999,999	70.00	454,934	16.25	454,934	"
Uni-President Superior Commissary Corp.	48,519,890	526,475	-	57,689	-	-	(39,440)	48,519,890	90.00	544,724	11.23	544,724	"
Uni-President Cold-Chain Corp.	42,934,976	910,506	-	240,458	-	-	(193,980)	42,934,976	60.00	956,984	22.00	944,659	"
President Information Corp.	25,714,475	499,116	-	79,154	-	-	(64,715)	25,714,475	86.00	513,555	15.74	404,713	"
Q-ware Systems & Services Corp.	24,382,921	392,745	-	90,913	-	-	(74,494)	24,382,921	86.76	409,164	16.25	396,120	"
Wisdom Distribution Service Corp.	10,847,421	516,295	-	330,519	-	-	(303,759)	10,847,421	100.00	543,055	50.06	543,055	"
Books.com. Co., Ltd.	9,999,999	412,559	-	201,255	-	-	(202,533)	9,999,999	50.03	411,281	41.13	411,281	"
Duskin Serve Taiwan Co., Ltd.	10,199,999	208,040	-	90,513	-	-	(78,127)	10,199,999	51.00	220,426	21.61	220,426	None
ICASH Corp.	70,000,000	580,833	-	-	-	(110,389)	172	70,000,000	100.00	470,616	6.72	470,616	"
Uni-President Development Corp.	72,000,000	757,759	-	19,307	-	-	(19,512)	72,000,000	20.00	757,554	10.52	757,554	"
Uni-Wonder Corp.	21,382,674	5,078,516	-	124,266	-	-	(370,146)	21,382,674	60.00	4,832,636	410.43	8,776,156	"
Retail Support International Corp.	6,429,999	171,835	-	53,455	-	-	(51,660)	6,429,999	25.00	173,630	25.61	164,643	"
PresiCarre Corp.	145,172,360	5,434,309	-	296,773	-	-	(653,995)	145,172,360	19.50	5,077,087	46.24	6,712,770	"
President Fair Development Corp.	190,000,000	2,084,800	-	38,692	-	-	-	190,000,000	19.00	2,123,492	10.27	1,950,959	"
President International Development Corp.	44,100,000	445,096	-	30,749	-	-	(28,535)	44,100,000	3.33	477,310	10.54	464,986	"
21 Century Co., Ltd.	10,000,000	131,869	-	41,490	-	-	(28,965)	10,000,000	100.00	144,394	14.44	144,394	"
President Collect Service Corp., etc.	-	553,006	-	277,481	-	(224,358)	(118,106)	-	-	488,023	-	488,000	"
		<u>\$ 49,110,865</u>		<u>\$ 3,578,540</u>		<u>(\$ 637,349)</u>	<u>(\$ 5,116,311)</u>			<u>\$ 46,935,745</u>			

Note 1: The additions this year includes recognized gains on investments of \$3,475,577 and increase in investments of \$102,963.

Note 2: The decreases this year includes recognized losses on investments of (\$637,349).

Note 3: Other adjustments are cash dividends of (\$3,465,625), financial statements translation differences of foreign operations of (\$803,627), gain on remeasurement of defined benefit plan of \$84,451, changes in fair value of financial assets at fair value through other comprehensive income of \$482, changes in capital surplus of \$37,820 and changes in subsidiary's equity interest of (\$969,812).

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 6

Expressed in thousands of NTD

Item	Balance as of January 1, 2021	Additions	Decreases	Transfer	Balance as of December 31, 2021	Collateral	Footnote
Cost							
Land	\$ 1,545,466	\$ -	(\$ 4,199)	(\$ 22,636)	\$ 1,518,631	None	
Buildings	968,199	-	(7,426)	(3,122)	957,651	"	
Operating equipment	15,991,485	2,792,246	(1,347,946)	-	17,435,785	"	
Leasehold improvements	9,652,347	1,907,678	(978,465)	1,280	10,582,840	"	
Others	14,808	13,595	-	(1,280)	27,123	"	
	<u>28,172,305</u>	<u>\$ 4,713,519</u>	<u>(\$ 2,338,036)</u>	<u>(\$ 25,758)</u>	<u>30,522,030</u>		
Accumulated depreciation							
Buildings	(369,511)	(\$ 19,045)	\$ 3,690	\$ 1,331	(383,535)	"	
Operating equipment	(9,521,823)	(1,843,631)	1,335,578	-	(10,029,876)	"	
Leasehold improvements	(5,944,456)	(1,064,281)	896,332	-	(6,112,405)	"	
Others	(9,514)	(648)	-	-	(10,162)	"	
	<u>(15,845,304)</u>	<u>\$ 2,927,605</u>	<u>\$ 2,235,600</u>	<u>\$ 1,331</u>	<u>(16,535,978)</u>		
Accumulated impairment	(93,269)	\$ -	\$ 967	\$ 13,601	(78,701)		
Book value	<u>\$ 12,233,732</u>				<u>\$ 13,907,351</u>		

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 7

Expressed in thousands of NTD

Item	Balance as of January 1, 2021	Additions	Decreases	Balance as of December 31, 2021	Footnote
Buildings					
Costs	\$ 62,526,330	\$ 12,021,149	(\$ 4,416,961)	\$ 70,130,518	
Accumulated depreciation	(12,249,677)	(8,057,125)	2,812,513	(17,494,289)	
Book value	<u>\$ 50,276,653</u>	<u>\$ 3,964,024</u>	<u>(\$ 1,604,448)</u>	<u>\$ 52,636,229</u>	

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM BORROWINGS**DECEMBER 31, 2021
Expressed in thousands of NTD

Statement 8

Type of borrowings	Explanation	Balance as of December 31, 2021	Contract period	Interest rate range	Collateral	Footnote
Credit loan	HSBC Limited	\$ 1,000,000	2021/12/29~2022/01/21	0.450%	None	
"	MUFG Bank, Ltd.	300,000	2021/12/06~2022/01/06	0.385%	"	
"	MUFG Bank, Ltd.	2,200,000	2021/12/21~2022/01/21	0.380%	"	
		<u>\$ 3,500,000</u>				

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF LEASE LIABILITIES**

DECEMBER 31, 2021

Statement 9

Expressed in thousands of NTD

Item	Summary	Lease period	Discount rate range	Balance as of December 31, 2021	Footnote
Buildings	Current	2007/01/01~2041/07/31	0.55%~1.03%	\$ 9,046,183	
"	Non-Current	2007/01/01~2041/07/31	"	44,423,203	
				<u>\$ 53,469,386</u>	

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING REVENUE**

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 10

Expressed in thousands of NTD

Item	Amount	Footnote
Revenue from contracts with customers	\$ 168,010,130	Revenue are from sales of general merchandise such as food, cans, beverages and daily commodities, etc., and commission revenue from collections, etc.

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING COSTS**

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 11

Expressed in thousands of NTD

Item	Amount
Inventory at beginning of the year	\$ 8,891,933
Inventory purchased	109,380,824
Compensation for damaged merchandise	(357,677)
Promotion income	(618,505)
Inventory at end of the year	(9,980,315)
Others	4,406,081
Operating costs	<u>\$ 111,722,341</u>

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF SELLING EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2021

Statement 12

Expressed in thousands of NTD

Item	Amount
Incentive bonuses for franchisees	\$ 22,365,078
Wages and salaries	3,747,636
Utilities expense	2,498,131
Depreciation	10,960,435
Other expenses	7,052,580
	<u>\$ 46,623,860</u>

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY
FUNCTION**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
Expressed in thousands of NTD

Statement 13

By nature	By function	2021			2020			
		Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total	
Employee benefit expense								
Wages and salaries	\$	-	\$ 5,677,962	\$ 5,677,962	\$	-	\$ 5,949,019	\$ 5,949,019
Labor and health insurance fees		-	521,308	521,308	-		484,022	484,022
Pension costs		-	250,511	250,511	-		262,184	262,184
Directors' remuneration		-	162,498	162,498	-		191,433	191,433
Supervisors' remuneration		-	-	-	-		-	-
Other employee benefit expenses		-	310,173	310,173	-		316,415	316,415
Depreciation		-	10,984,730	10,984,730	-		9,972,207	9,972,207
Amortization		-	67,301	67,301	-		25,898	25,898

Note1: As of December 31, 2021, and 2020, the Company had 8,348 and 8,500 employees (including part-timers), including 10 directors, respectively.

Note2: For the years ended December 31, 2021 and 2020, the Company's average employee benefit expense was \$811 and \$826, respectively; while average wages and salaries was \$681 and \$701, respectively. For the year ended December 31, 2021, the Company's change in average wages and salaries was -2.94%.

Note3: The Company's compensation policies are set out below:

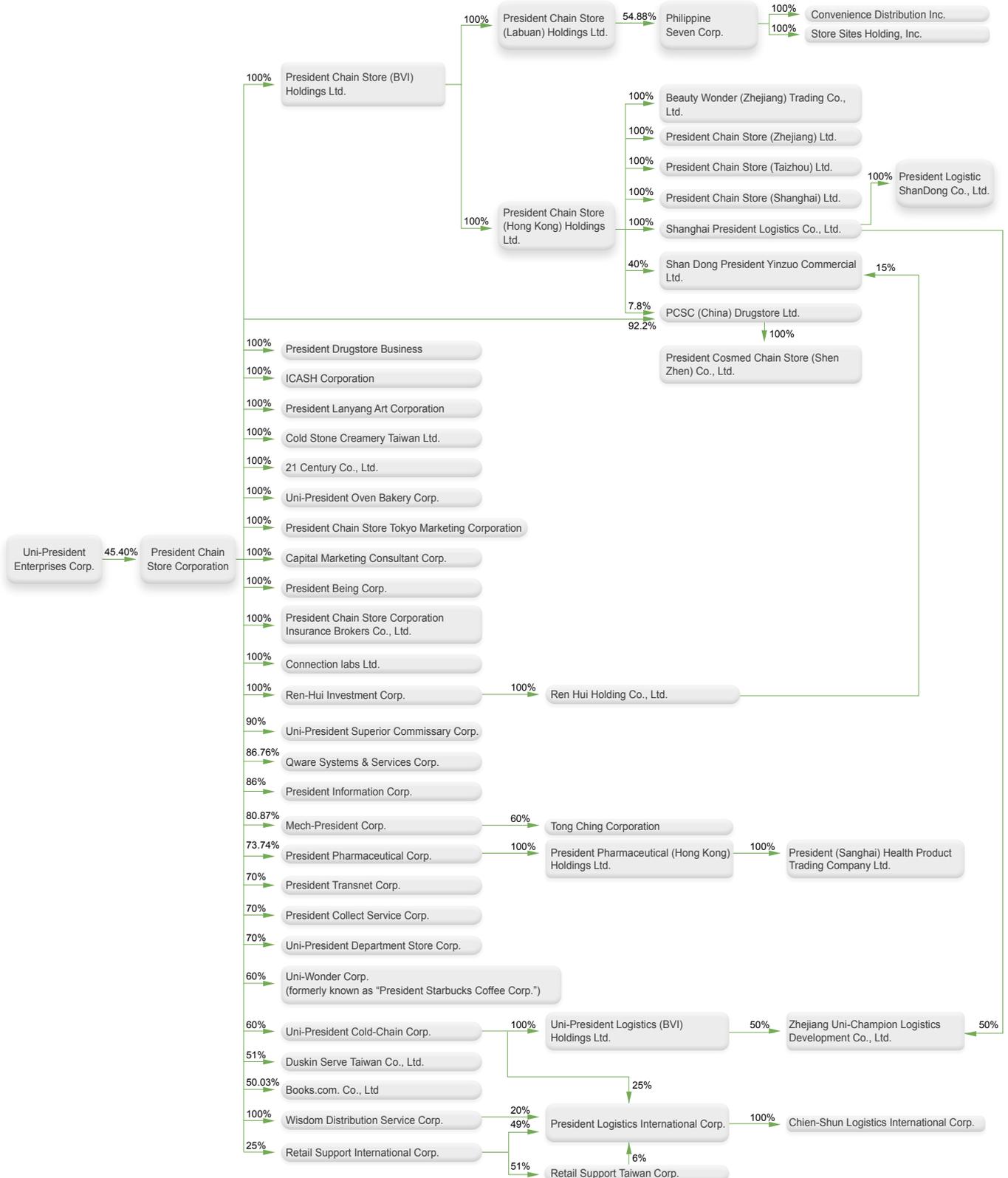
- (1) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as directors' remuneration, the ratio shall not be higher than 2%. Considering the company's operating result and the contribution of directors' continuous learning and participation in sustainable management to the company's performance, including financial benchmark such as profit of the current year, to assess and distribute reasonable remuneration. The reasonableness of the remuneration has been reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system will be adjusted and reviewed regularly according to the company's operating conditions and laws, to achieve a balance between the company's sustainable operation and risk control.
- (2) Remuneration of the president in the company is based on personal performance, including financial benchmark, such as profit of the current year, to assess their contribution to the overall operation of the company. The Company pays the salaries of president based on the Article of Incorporation of the Company and the market level of a survey report. The Company participates the survey report which is conducted by professional salary survey institutions every year. Benefits are distributed based on "Regulation for benefit and performance" and annual operating performance of the Company and personal performance.
- (3) Wages and salaries of the Company is based on the principle of equal pay for equal work. Salaries adjustment and benefit distribution are based on the content of the employee's position, performance and contribution, and regularly review the overall benefit of employees every year to ensure that the competitiveness of labor market.
- (4) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation, the ratio shall not be lower than 2%.

Note4: The Company has set up an Audit Committee. As a result, there was no supervisors' remuneration for the years ended December 31, 2021 and 2020.

7 Consolidated Business Reports of Affiliated Companies

7.1 Affiliated Companies Conditions 7.1.1 Organizational chart

As of December 31, 2021



7.1.1.2 PCSC has a direct or indirect control over the management of the personnel, financial or business operation of the following companies, and is considered to be the controlling company under Article 369-2 of the Company Law.

Affiliated Companies	Relationship
Retail Support International Corp.	The appointee of PCSC is voted as the Chairman of the affiliated company.

7.1.2 Information of PCSC affiliated companies

Dec. 31, 2021/Unit: NT\$1,000

Company	Date of incorporation	Address	Paid-in Capital	Major Business / Production Items
President Chain Store (BVI) Holdings Ltd.	Jul. 09, 1998	Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 17,159,000	Professional investment
PCSC (China) Drugstore Ltd.	Feb. 16, 2004	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 9,486,000	Professional investment
Uni-Wonder Corp.	Nov. 03, 1997	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	356,378	Coffee chain store
President Drugstore Business Corp.	Jul. 27, 1995	7F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	785,200	Sales of cosmetics, medicines and daily items
ICASH Corp.	Nov. 19, 2013	3F, No.101, Ruihu St., Neihu Dist., Taipei City, Taiwan	700,000	Electronic ticketing and electronic payment
President Lanyang Art Corp.	Jun. 07, 2004	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	20,000	Art and cultural exhibition
Cold Stone Creamery Taiwan Ltd.	Dec. 26, 2006	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	122,444	Sales of ice cream
21 Century Co., Ltd.	Nov. 18, 1995	4F., No.50, Ln. 258, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan	100,000	Operation of chain restaurants
Uni-President Oven Bakery Corp.	Nov. 20, 2000	12F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	65,120	Bread and pastry retailer
President Chain Store Tokyo Marketing Corp.	Jan. 07, 2009	SOYIC bldg. 4F 3-11 Nihonbashi koami-cho, Chuo-ku, Tokyo 103-0016, Japan	JPY 98,000,000	Trade and enterprise management consultancy
Capital Marketing Consultant Corp.	Apr. 13, 1998	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	25,000	Enterprise management consultancy
President Being Corp.	Apr. 08, 2003	B1, No.149, Sec.5, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan	15,000	Sports and entertainment business
President Chain Store Corporation Insurance Brokers Co., Ltd.	Oct. 05, 2006	6F., No. 65, Guangfu S. Rd., Songshan Dist., Taipei City 105, Taiwan	15,000	Insurance brokers
Connection labs Ltd.	Apr. 29, 2015	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	117,228	Other software and internet-related
Ren-Hui Investment Corp.	Dec. 20, 1996	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	65,000	Professional investment
Uni-President Superior Commissary Corp.	Mar. 11, 1999	No.16, Zhongxing Rd., Tucheng Dist., New Taipei City, Taiwan	539,110	Fresh food manufacture
Q-ware Systems & Services Corp.	Jun. 26, 1963	9F, No.81, Zhouzi St., Neihu Dist., Taipei City, Taiwan	281,042	Information software services
President Information Corp.	Aug. 27, 1997	6F, No. 246, Yang Guang St., Neihu Dist., Taipei City, Taiwan	299,006	Enterprise information management and consultancy
Mech-President Corp.	Dec. 09, 1991	No. 67, Huan Kung Rd., Yung Kang Dist., Tainan City, Taiwan	690,713	Gas station, installment and maintenance of elevators
President Pharmaceutical Corp.	Sep. 03, 1993	7F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	300,000	Sales of various health care products, cosmetics, and pharmaceuticals
President Transnet Corp.	Jan. 24, 2000	2F., No.254, Sec. 3, Beishen Rd. Shenkeng Dist., New Taipei City, Taiwan	1,478,520	Delivery service
President Collect Service Corp.	Jun. 24, 2002	8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	15,000	Collection agent
Uni-President Department Store Corp.	Feb. 24, 2006	No.8, Sec. 5, Zhong Xiao E. Rd., Xinyi Dist., Taipei City, Taiwan	400,000	Department stores

Company	Date of incorporation	Address	Paid-in Capital	Major Business / Production Items
Uni-President Cold-Chain Corp.	Jan. 22, 1999	No.340, Tzu Chiang Rd., Yung Kang Dist., Tainan City, Taiwan	715,583	Low-temperature logistics and warehousing
Duskin Serve Taiwan Co., Ltd.	Oct. 28, 1994	8F, No. 8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan	200,000	Cleaning instruments leasing and selling
Books.com Co., Ltd.	Dec. 27, 1995	12F, No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	199,900	Retail business without shop
Retail Support International Corporation	Aug. 13, 1990	7F, No.560, Sec.4, Zhong Xiao E. Rd., Xinyi Dist., Taipei City, Taiwan	257,200	Room-temperature logistics and warehousing
Wisdom Distribution Service Corp.	Jan. 11, 1999	No.70-1, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City, Taiwan	108,474	Logistics and storage of publication and e-commerce
President Chain Store (Labuan) Holdings Ltd.	Oct. 24, 2000	Level 15(A1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan FT, Malaysia	USD 67,693,000	Professional investment
Philippine Seven Corp.	Nov. 23, 1982	7/F The Columbia Tower, Ortigas Avenue, Mandaluyong City, Manila, Philippine	PHP 757,105,000	Convenience store
Convenience Distribution Inc.	Sep. 17, 1998	8001F ,Lagasaki St. Brgy, Maybunga, Pasig City, Manila, Philippine	PHP 125,000,000	Logistic, warehousing and retail
Store Sites Holding, Inc.	Nov. 09, 2000	7/F The Columbia Tower, Ortigas Avenue, Mandaluyong City, Manila, Philippine	PHP 48,742,000	Professional investment
President Chain Store (Hong Kong) Holdings Ltd.	Aug. 13, 2008	Unit 1405-1406, Dominion Centre, 43-59 Queen's Road East, Wan Chai, Hong Kong	USD 134,603,000	Professional investment
Beauty Wonder (Zhejiang) Trading Co., Ltd.	Apr. 12, 2018	Room 205, No.29, Building 8, Yuewang New Village, Shangcheng District, Hangzhou City, Zhejiang Province, China	RMB 60,000,000	Sales of cosmetics and daily items
President Chain Store (Zhejiang) Ltd.	May. 08, 2017	Room B102-103-1, Building 3, Qianjiang International Time Square, Jianggan Dist., Hangzhou City, Zhejiang Province, China	RMB 210,000,000	Convenience store
President Chain Store (Taizhou) Ltd.	Nov. 27, 2015	South of Innovation Dadao, Gaixin Technology Industries Park, Gaogang Dist., Taizhou City, Jiangsu Province, China	RMB 60,000,000	Logistics and warehousing
President Chain Store (Shanghai) Ltd.	Feb. 03, 2009	No.45-47, Mengzi Rd, Huangpu Dist., Shanghai, China	RMB 620,000,000	Convenience store
Shanghai President Logistic Co., Ltd.	Apr. 15, 2009	Building 18, No.22, Min Yi Rd., Songjiang Dist., Shanghai, China	USD 2,000,000	Logistics and warehousing
President Logistic ShanDong Co., Ltd.	Nov. 21, 2016	No.301, Tong Yi Street, JiBei Development Zone, JiYang County, JiNan City, ShanDong Province, China	RMB 50,000,000	Logistics and warehousing
Ren Hui Holding Co., Ltd.	Apr. 12, 2017	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	USD 2,000,000	Professional investment
Shan Dong President Yinzuo Commercial Ltd.	Sep. 23, 1997	Floor 35, Huiyuan Building, No.38, Huaneng Road, Lixia Zone, Jinan City, Shandong Province, China	RMB 60,000,000	Supermarkets
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Dec. 13, 2004	Room 1507, Shun Hing Square Building Shen Nan Dong Road, Shenzhen, Guangdong Province, China	RMB 100,000,000	Wholesale of merchandise
Tong Ching Corp.	Jul. 04, 2003	No. 138, Huandao N. Rd., Jincheng Township, Kinmen County, Taiwan	16,000	Gas station
President Pharmaceutical (Hong Kong) Holdings Ltd.	Feb. 25, 2009	703A, 7/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong	USD 5,936,000	Sales of various health care products, cosmetics, and pharmaceuticals
President (Shanghai) Health Product Trading Company Ltd.	Nov.19, 2009	Room 203, 2F, No.131, Lin Hong Road, Chang Ning District, Shanghai, China	RMB 39,157,000	Sales of various health care products, cosmetics, and pharmaceuticals
Uni-President Logistics (BVI) Holdings Ltd.	Mar. 14, 2007	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 2,990,000	Professional investment
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Dec. 26, 2007	3PL Warehouse, Building 10, No.27 and No.29, Jiuhuan Road, Jianggan District, Hangzhou City, Zhejiang Province.	RMB 40,000,000	Logistics and warehousing
Retail Support Taiwan Corp.	Apr. 16, 1997	No.63-1, Jijin 3rd Rd., Anle Dist., Keelung City, Taiwan	56,300	Room-temperature logistics and warehousing
President Logistics International Corp.	Feb. 11, 1998	1F, No.242-1, Minzu Rd., Zhongli Dist., Taoyuan City, Taiwan	193,500	Trucking
Chieh Shun Logistics International Corp.	Aug. 01, 2003	2F, No.242-1, Minzu Rd., Zhongli Dist., Taoyuan City, Taiwan	266,700	Trucking

7.1.3 Shareholders in Common of PCSC and its affiliates with deemed control and subordination: None.

7.1.4 Business scope of PCSC and its affiliated companies

The business scope of PCSC and its affiliated companies includes: retailing, investment, services, logistics, delivery and manufacture, etc.

The mutual dealings and division of work among each affiliate are as follows:

Affiliated Companies	Division of Work
Capital Marketing Consultant Corp.	The company provides PCSC with store inventory check services and staff training programs, etc.
Wisdom Distribution Service Corp.	The company is the merchandise supplier and distributor of PCSC.
President Information Corp.	The company provides PCSC and its affiliates with information system services.
Retail Support International Corp.	The company is the merchandise supplier and distributor of PCSC.
Uni-President Cold-Chain Corp.	The company is the merchandise supplier and distributor of PCSC.
Uni-President Superior Commissary Corp.	The company is the fresh food manufacture of PCSC.

7.1.5 Information of the directors, supervisors, and presidents of PCSC subsidiaries

Dec. 31, 2021/Unit: NT\$1,000/ shares/%

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Chain Store (BVI) Holdings Ltd.	Director	Representatives of President Chain Store Corp.: Lo, Chih-Hsien; Huang, Jui-Tien	Paid-in Capital	100.00
			USD 17,159,000	
PCSC (China) Drugstore Ltd.	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Chen, Jui-Tang	Paid-in Capital	92.20
			USD 8,746,000	
Uni-Wonder Corporation	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	21,382,674	60.00
	Director	Representatives of President Chain Store Corp.: Lo, Chih-Hsien; Kao, Shioh-Ling ; Huang, Jui-Tien ; Hsu, kwang-Yu ; Tsai, Hung-Chi ; Chen, Ji-Yao	21,382,674	60.00
	Supervisor	Representative of Uni-President Enterprises Corp.: Wu, Wen-Chi	14,255,116	40.00
	President	Lai, Ta-Cheng	—	—
President Drugstore Business Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	78,520,000	100.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Wang, Pao-Ming	78,520,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Lee, John-Yih	78,520,000	100.00
	President	Wang, Pao-Ming	—	—
ICASH Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	70,000,000	100.00
	Director	Representatives of President Chain Store Corp.: Chen, Wen-Chieh; Lin, Chi-Chang; Chang, Chia-Hua; Chang, Huang-Chi	70,000,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Chai, Chia-Ming	70,000,000	100.00
	President	Liang, Yu-Lin	—	—
President Lanyang Art Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	2,000,000	100.00
	President	Lua, Wen-Ji	—	—
Cold Stone Creamery Taiwan Ltd.	Chairman	Representative of President Chain Store Corp.: Lin, Chi-Chang	12,244,390	100.00
	Director	Representatives of President Chain Store Corp.: Hsiu, Yi-Shiung; Chen, Wen-Chieh	12,244,390	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	12,244,390	100.00
	President	Hsieh, Ching-Hsun	—	—
21 Century Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Wang, Pao-Ming	10,000,000	100.00
	Director	Representatives of President Chain Store Corp.: Lai, Mei-Rong; Kuo, Ching-Feng	10,000,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Ho, Shuei-Huang	10,000,000	100.00
	President	Lai, Mei-Rong	—	—
Uni-President Oven Bakery Corp.	Chairman	Representative of President Chain Store Corp.: Hsu, Kwang-Yu	6,511,963	100.00
	Director	Representatives of President Chain Store Corp.: Su, Hung-Jen; Kuo, Ching-Feng	6,511,963	100.00
	Supervisor	Representative of President Chain Store Corp.: Hsiu, Yi-Shiung	6,511,963	100.00
	Vice President	Sun, Ming-Tong	—	—
President Chain Store Tokyo Marketing Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	9,800	100.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Wu, Chin-Fu	9,800	100.00
	Supervisor	Representative of President Chain Store Corp.: Tsung, Hsi-Yung	9,800	100.00
	President	Wu, Chin-Fu	—	—
Capital Marketing Consultant Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	2,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Lee, Tsung-Hsien	2,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Hsiu, Yi-Shiung	2,500,000	100.00
	President	Chiu, Hong-Chang	—	—
President Being Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	1,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Chen, Fei-Long; Chen, Pei-Jung	1,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Lee, John-Yih	1,500,000	100.00
	President	Chen, Pei-Jung	—	—

Consolidated Business
Reports of Affiliated
Companies

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Chain Store Corporation Insurance Brokers Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Lin, Chi-Chang	1,500,000	100.00
	Director	Representatives of President Chain Store Corp.: Lua, Wen-Ji; Hsiu, Yi-Shiung	1,500,000	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	1,500,000	100.00
	President	Lua, Wen-Ji	–	–
Connection labs Ltd.	Chairman	Representative of President Chain Store Corp.: Chang, Chia-Hua	11,722,779	100.00
	Director	Representative of President Chain Store Corp.: Liu, Chun-Pei; Hsiu, Yi-Shiung	11,722,779	100.00
	Supervisor	Representative of President Chain Store Corp.: Wu, Wen-Chi	11,722,779	100.00
	President	Chuang, Wei-Jen	–	–
Ren-Hui Investment Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	6,500,000	100.00
	President	Huang, Jui-Tien	–	–
Uni-President Superior Commissary Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	48,519,890	90.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Lee, Min-Chien; Ho, Shuei-Huang	48,519,890	90.00
	Director	Representative of Asia Frozen Food Corp.: Lin, Chang-Chi	5,391,099	10.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Liang, Kuo-Jen	1	–
	President	Chen, Kai-Jung	–	–
Qware Systems & Services Corp.	Chairman	Representative of President Chain Store Corp.: Chang, Chia-Hua	24,382,921	86.76
	Director	Representatives of President Chain Store Corp.: Chang, Huang-Chi; Fu, Kuang-Jen	24,382,921	86.76
	Director	Representative of Taiwan Spinning Co., Ltd.: Juang, Jing-Yau	172,347	0.61
	Director	Representative of Fonmau Cereal Industrial Co., Ltd.: Lin, Kuan-Chen	243,898	0.87
	Supervisor	Representative of Nan Fan Housing Development Co., Ltd.: Peng, Yuan-Hung	699,071	2.49
	Supervisor	Representative of Ren-Hui Investment Corp.: Lin, Tsung-Yu	1	–
	President	Chou, Kuo-Jan	–	–
President Information Corp.	Chairman	Representative of President Chain Store Corp.: Chang, Chia-Hua	25,714,475	86.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Chen, Ching-Hsin	25,714,475	86.00
	Director	Representative of Nomura Research Institute Ltd.: Tsutom Kataoka	4,186,074	14.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	–
	President	Chang, Chia-Hua	–	–
Mech-President Corp.	Chairman	Representative of President Chain Store Corp.: Wu, Hui-Chen	55,858,815	80.87
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Feng; Kuo, Wen-Sheng	55,858,815	80.87
	Director	Representatives of Uni-President Enterprises Corp.: Lian Chin-Yi; Yen, Ming-Hsiu	13,046,358	18.89
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, John-Yih	1	–
	President	Huang, Jui-Feng	–	–
President Pharmaceutical Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	22,121,962	73.74
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Wang, Pao-Ming; Chen, Pei-Jung; Mo, Ming-Wei; Chai, Chia-Feng	22,121,962	73.74
	Director	Representative of Taipo Investment Corp.: Wu, Ping-Chih	3,000,000	10.00
	Director	Representatives of Tung-Ren Investment Corp.: Lin, Tian-Mao; Wu, Chung-Ho	579,091	1.93
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, John-Yih	1	–
	President	Chai, Chia-Feng	–	–

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Transnet Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	103,496,399	70.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui Tien; Hsieh, Lien-Tang; Huang, Chao-Sai	103,496,399	70.00
	Director	Representative of Uni-President Enterprises Corp.: Lu, Li-An	29,570,400	20.00
	Director	Representative of Yamato Holdings Co., Ltd.: Katsuhiko Umetsu	14,785,200	10.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen- Chi	1	—
	President	Hsu, Ming-Hui	—	—
President Collect Service Corp.	Chairman	Representative of President Chain Store Corp.: Chen, Jui-Tang	1,049,999	70.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui Tien; Hsieh, Lien-Tang; Wu, Wan-Yu; Huang, Chao-Sai	1,049,999	70.00
	Director	Representatives of Yamato Holdings Co., Ltd.: Katsuhiko Umetsu; Tatsuya Suzuki	450,000	30.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	—
	Supervisor	Sadatomu Hiroki	—	—
Uni-President Department Store Corp.	Chairman	Representative of President Chain Store Corp.: Kao, Shioh-Ling	27,999,999	70.00
	Director	Representatives of President Chain Store Corp.: Wang, Pao-Ming; Chen, Pei-Jung	27,999,999	70.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, John-Yih	1	—
	President	Wang, Pao-Ming	—	—
Uni-President Cold-Chain Corp.	Chairman	Representative of Uni-President Enterprises Corp.: Lo, Chih-Hsien	14,311,658	20.00
	Director	Representatives of Uni-President Enterprises Corp.: Huang, Jau-Kai	14,311,658	20.00
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Lin, Chi-Chang; Lee, Tsung-Hsien; Kuo, Ching-Feng; Yao, Chieh-Hsiang	42,934,976	60.00
	Director	Representative of Nanlien International Corp.: Wu, Mao-Yuan	14,311,658	20.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Hsiu, Yi-Shiung	1	—
	President	Yao, Chieh-Hsiang	—	—
Duskin Serve Taiwan Co., Ltd.	Chairman	Representative of President Chain Store Corp.: Hsieh, Lien-Tang	10,199,999	51.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Hsiu, Yi-Shiung; Lee, Tsung-Hsien	10,199,999	51.00
	Director	Representatives of Duskin Co., Ltd.: Ueno Shinichiro; Enomoto Masakazu; Ikoma Yohei; Miyawaki Mikio	9,800,000	49.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lee, John-Yih	1	—
	Supervisor	Naito Hideyuki	—	—
	President	Lee, Yen-Sheng	—	—
Books.com Co., Ltd.	Chairman	Representative of Chang Fu Investment Co., Ltd.: Lin, Pi-Jung	19,000	0.10
	Director	Representatives of President Chain Store Corp.: Huang, Jui-Tien; Chen, Wen-Chieh; Wang, Pao-Ming; Cheng, Horng-Jiun	9,999,999	50.03
	Director	Representatives of Clever Investment Co., Ltd.: Chen, Yu-Chun; Chang, Ya-Ju	200,000	1.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi	1	—
	Supervisor	Chang, Ya-Ling	143,000	0.72
	President	Chiang, Cheng-Hsin	—	—
Retail Support International Corporation	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	6,429,999	25.00
	Director	Representative of President Chain Store Corp.: Hsieh, Lien-Tang; Chen, Wen-Chieh	6,429,999	25.00
	Director	Representatives of Uni-President Enterprises Corp.: Lo, Chih-Hsien	5,144,000	20.00
	Director	Representative of Mitsubishi Corp.: Yamamoto Yasuo; Chida Ken; Kaneko Noboru	9,002,000	35.00
	Director	Representative of Nanlien International Corp.: Wu, Mao-Yuan	5,144,000	20.00
	Supervisor	Representative of Ren-Hui Investment Corp.: Lin, Tsung-Yu	1	—
	Supervisor	Nishiyama Hirotaka	—	—
	President	Hu, Hao-Chih	—	—

Consolidated Business
Reports of Affiliated
Companies

Company	Title	Name or Representative	Shareholding	
			Shares	%
Wisdom Distribution Service Corp.	Chairman	Representative of President Chain Store Corp.: Huang, Jui-Tien	10,847,421	100.00
	Director	Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Chen, Wen-Chieh	10,847,421	100.00
	Supervisor	Representative of President Chain Store Corp.: Liang, Kuo-Jen	10,847,421	100.00
	President	Cheng, Horng-Jiun	—	—
President Chain Store (Labuan) Holdings Ltd.	Director	Representatives of President Chain Store (BVI) Holdings Ltd.: Lo, Chih-Hsien; Huang, Jui-Tien	Paid-in Capital USD 67,693,000	100.00
Philippine Seven Corp.	Chairman (Independent Director)	Jose T. Pardo	2	—
	Vice Chairman	Representative of President Chain Store (Labuan) Holdings Ltd.: Chen, Jui-Tang	415,105,327	54.88
	Director	Representatives of President Chain Store (Labuan) Holdings Ltd.: Huang, Jui-Tien; Kuo, Ching-Feng; Lee, Tsung-Hsien; Wu, Wen-Chi; Jose Victor P. Paterno	415,105,327	54.88
	Director	Maria Cristina P. Paterno	13,200,074	1.75
	Director	Representative of Progressive Dev. Corp.: Jorge L. Araneta	17,342,411	2.29
	Independent Director	Antonio Jose U. Periquet, Jr.	2,000,002	0.26
	Independent Director	Michael B. Zalamea	2	—
	President	Jose Victor P. Paterno	16,472,569	2.18
Convenience Distribution Inc.	Chairman	Representative of Philippine Seven Corp.: Jose Victor P. Paterno	12,500,000	100.00
	Director	Representatives of Philippine Seven Corp.: Liu, Jun-Ya; Lee, Ying-Jung; Liwayway T. Fernandez; Maritess Antonio	12,500,000	100.00
	President	Jose Victor P. Paterno	—	—
Store Sites Holding, Inc.	Chairman	Representative of Philippine Seven Corp.: Jose Victor P. Paterno	40,000	100.00
	Director	Representative of Philippine Seven Corp.: Liu, Jun-Ya (common share)	40,000	100.00
	Director	Representatives of BPI-Asset Management and Trust Corp.: Evelyn S. Enriquez; Lawrence M. De Leon; Mario Gerardo Z. Evaristo (preferred share)	60,000	—
	President	Jose Victor P. Paterno	—	—
President Chain Store (Hong Kong) Holdings Limited	Director	Representative of President Chain Store (BVI) Holdings Ltd.: Chen, Jui-Tang	Paid-in Capital USD 134,603,000	100.00
	Director	Huang, Jui-Tien	—	—
Beauty Wonder (Zhejiang) Trading Co., Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien	Paid-in Capital RMB 60,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Kao, Shioh-Ling; Chang, Shih-Hsun	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	100.00
	President	Chang, Shih-Hsun	—	—
President Chain Store (Zhejiang) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Hsieh, Kuan-Hung	Paid-in Capital RMB 210,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien; Li, Chia-Hao	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wu, Wen-Chi	—	100.00
	President	Li, Chia-Hao	—	—
President Chain Store (Taizhou) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Liang, Shih-Wei	Paid-in Capital RMB 60,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Sung-Hong; Wu, Yi-Lung	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wang, Yung-Yu	—	100.00
	President	Wu, Yao-Ming	—	—

Company	Title	Name or Representative	Shareholding	
			Shares	%
President Chain Store (Shanghai) Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Hsieh, Kuan-Hung	Paid-in Capital RMB 620,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Huang, Jui-Tien; Liang, Shih-Wei	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Wu, Wen-Chi	—	100.00
	President	Liang, Shih-Wei	—	—
Shanghai President Logistics Co., Ltd.	Chairman	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Liang, Shih-Wei	Paid-in Capital USD 2,000,000	100.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Sung-Hong; Li, Chia-Hao	—	100.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Cheng, Sheng-Chan	—	100.00
	President	Chang, Sung-Hong	—	—
President Logistic ShanDong Co., Ltd.	Chairman	Representative of Shanghai President Logistics Co., Ltd.: Chang, Sung-Hong	Paid-in Capital RMB 50,000,000	100.00
	Director	Representatives of Shanghai President Logistics Co., Ltd.: Shu, Chih-Ming;	—	100.00
	Supervisor	Representative of Shanghai President Logistics Co., Ltd.: Chang, Li-Ling	—	100.00
	President	Peng, Chien-Chia	—	—
Ren Hui Holding Co., Ltd.	Director	Representatives of Ren-Hui Investment Corp.: Huang, Jui-Tien; Hsieh, Lien-Tang	Paid-in Capital USD 2,000,000	100.00
Shan Dong President Yinzu Commercial Ltd.	Chairman	Representative of Shandong Silver Plaza Co., Ltd.: Bu, Ting-Xian	Paid-in Capital RMB 60,000,000	45.00
	Director	Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Lee, Tsung-Hsien; Lin, Hung-Chun	—	40.00
	Director	Representative of Ren Hui Holding Co., Ltd.: Huang, Jui-Tien	—	15.00
	Director	Representative of Shandong Silver Plaza Co., Ltd.: Hu, Guod-Dong	—	45.00
	Supervisor	Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling	—	40.00
	Supervisor	Representative of Shandong Silver Plaza Co., Ltd.: Wei, Dong-Hai	—	45.00
	President	Shu, Chih-Ming	—	—
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Chairman	Representative of PCSC (China) Drugstore Limited: Hsieh, Kuan-Hung	Paid-in Capital RMB 100,000,000	100.00
	Director	Representatives of PCSC (China) Drugstore Limited: Chang, Sung-Hong; Li, Chia-Hao	—	100.00
	Supervisor	Representative of PCSC (China) Drugstore Limited: Chang, Li-Ling	—	100.00
	President	Chang, Sung-Hong	—	—
Tong Ching Corporation	Chairman	Representative of Mech-President Corp.: Lee, Tsung-Hsien	960,000	60.00
	Director	Representatives of Mech-President Corp.: Chen, Yuen-Lung; Kuo, Wen-Sheng; Huang, Jui-Feng; Tzeng, Lin, Min-Yun	960,000	60.00
	Director	Lin, Ting-Song	80,000	5.00
	Supervisor	Huang, Chia-Yi	240,000	15.00
	President	Lin, Ting-Song	—	—
President Pharmaceutical (Hong Kong) Holdings Ltd.	Director	Representative of President Pharmaceutical Corp.: Chang, Shih-Hsun	Paid-in Capital USD 5,936,000	100.00
	Director	Huang, Jui-Tien	—	—
	President	Huang, Jui-Tien	—	—

Consolidated Business
Reports of Affiliated
Companies

Company	Title	Name or Representative	Shareholding	
			Shares	%
President (Shanghai) Health Product Trading Company Ltd.	Chairman	Representative of President Pharmaceutical (Hong Kong) Holdings Limited: Huang, Jui-Tien	Paid-in Capital RMB 39,157,000	100.00
	Director	Representatives of President Pharmaceutical (Hong Kong) Holdings Limited: Kao, Shioh-Ling; Chai, Chia-Feng; Chang, Shih-Hsun	—	100.00
	Supervisor	Representative of President Pharmaceutical (Hong Kong) Holdings Limited: Cheng, Sheng-Chan	—	100.00
	President	Chang, Shih-Hsun	—	—
Uni-President Logistics (BVI) Holdings Ltd.	Director	Representative Uni-President Cold-Chain Corp.: Chen, Jui-Tang	Paid-in Capital USD 2,990,000	100.00
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Chairman	Representative of Uni-President Logistics (BVI) Holdings Limited: Hsieh, Kuan-Hung	Paid-in Capital RMB 40,000,000	50.00
	Director	Representative of Uni-President Logistics (BVI) Holdings Limited: Yao, Chieh-Hsiang	—	50.00
	Director	Representative of Shanghai President Logistics Co., Ltd.: Chang, Sung-Hong	—	50.00
	Supervisor	Representative of Uni-President Logistics (BVI) Holdings Limited: Chang, Li-Ling	—	50.00
	President	Tsai, Kuang-Wen	—	—
Retail Support Taiwan Corp.	Chairman	Representative of Retail Support International Corp.: Huang, Chao-Sai	2,871,300	51.00
	Director	Representatives of Retail Support International Corp.: Chiang, Ming-Tao; Ho, Hsin-Chia	2,871,300	51.00
	Director	Representatives of FSG Co.: Lin, Ming-Fang; Huang, Wei-Yu	1,655,220	29.40
	Supervisor	Representatives of Grand Fountain Co., Ltd.: Cheng, Yueh-Kuei; Yang, Chung-Chin	1,103,480	19.60
	President	Yuan, Shou-Chung	—	—
President Logistics International Corp.	Chairman	Representative of Retail Support International Corporation: Huang, Chao-Sai	9,481,500	49.00
	Director	Representative of Retail Support International Corporation: Chiang, Ming-Tao	9,481,500	49.00
	Director	Representative of Uni-President Cold-Chain Corp.: Yao, Chieh-Hsiang	4,837,500	25.00
	Supervisor	Representative of Wisdom Distribution Service Corp.: Cheng, Horng-Jun	3,870,000	20.00
	President	Wu, San-Sian	—	—
Chieh Shun Logistics International Corp.	Chairman	Representative of President Logistics International Corp.: Huang, Chao-Sai	26,670,000	100.00
	Director	Representative of President Logistics International Corp.: Yao, Chieh-Hsiang; Wu, San-Sian	26,670,000	100.00
	Supervisor	Representative of President Logistics International Corp.: Cheng, Horng-Jun	26,670,000	100.00
	President	Wu, San-Sian	—	—

7.2 The Financial Position and Operation Results of Affiliated Companies

Dec. 31, 2021/ Unit: NT'000

Company	Paid-in Capital	Total Assets	Total Liabilities	Shareholders' Equity	Operating Revenue	Operating Income	Net Income	EPS	Net	Operating Activities
						(Loss)	(Loss)	(NT\$)	Income(Loss)	Cash flow
President Chain Store (BVI) Holdings Ltd.	USD17,159	23,111,500	36,081	23,075,419	0	(76,933)	(302,597)	-	(302,597)	48,764
PCSC (China) Drugstore Ltd.	USD 9,486	74,888	25	74,863	0	(98)	2,299	-	2,299	(98)
Uni-Wonder Corp.	356,378	9,356,253	8,527,027	829,226	10,897,751	403,075	362,437	10.17	460,406	2,867,186
President Drugstore Business Corp.	785,200	9,555,016	8,096,098	1,458,918	12,791,954	174,302	275,582	3.51	344,049	749,205
ICASH Corp.	700,000	2,655,464	2,184,848	470,616	715,971	(116,995)	(110,389)	(1.58)	(110,389)	(170,020)
President Lanyang Art Corp.	20,000	27,317	2,429	24,888	0	(161)	(108)	(0.05)	(108)	(100)
Cold Stone Creamery Taiwan Ltd.	122,444	182,340	154,798	27,542	391,223	223	4,680	0.38	4,680	26,041
21 Century Co., Ltd.	100,000	699,322	554,929	144,393	1,562,092	48,962	41,489	4.15	51,411	67,060
Uni-President Oven Bakery Corp.	65,120	176,412	325,034	(148,622)	261,579	(80,175)	(62,427)	(9.59)	(62,427)	(2,268)
President Chain Store Tokyo Marketing Corp.	JPY98,000	161,232	74,505	86,727	597,024	10,376	8,383	-	11,522	40,536
Capital Marketing Consultant Corp.	25,000	205,490	126,835	78,654	308,116	46,689	37,068	14.83	46,939	43,233
President Being Corp.	15,000	387,429	488,259	(100,830)	414,763	(58,431)	(70,129)	(46.75)	(70,129)	78,054
President Chain Store Corporation Insurance Brokers Co., Ltd.	15,000	67,158	31,170	35,987	86,870	21,563	17,237	11.49	21,547	27,655
Connection labs Ltd.	117,228	77,597	37,728	39,869	5,205	(60,381)	(59,691)	(5.09)	(59,691)	(35,943)
Ren-Hui Investment Corp.	65,000	46,473	880	45,593	0	(361)	(18,440)	(2.84)	(17,647)	4,046
Uni-President Superior Commissary Corp.	539,110	2,470,945	1,865,525	605,420	4,126,735	66,126	64,270	1.19	82,706	435,694
Q-ware Systems & Services Corp.	281,042	2,571,031	2,114,461	456,570	1,147,761	129,604	104,674	3.72	130,639	213,099
President Information Corp.	299,006	1,244,988	774,391	470,597	1,818,005	112,595	92,039	3.08	114,975	316,869
Mech-President Corp.	690,713	3,908,607	2,905,210	1,003,397	9,532,832	241,012	204,366	2.96	254,371	689,502
President Pharmaceutical Corp.	300,000	1,308,851	587,260	721,591	1,750,515	151,637	103,529	3.45	130,090	28,002
President Transnet Corp.	1,478,520	10,068,851	6,766,916	3,301,935	14,172,878	1,730,899	1,426,559	9.65	1,784,489	2,717,525
President Collect Service Corp.	15,000	2,152,059	2,014,033	138,025	604,413	131,212	108,278	72.19	135,347	138,743
Uni-President Department Store Corp.	400,000	4,721,308	4,071,400	649,908	1,219,148	(21,089)	128,628	3.22	151,563	764,065
Uni-President Cold-Chain Corp.	715,583	8,122,514	6,548,081	1,574,432	3,823,222	452,400	400,764	5.60	495,156	394,120
Duskin Serve Taiwan Co., Ltd.	200,000	906,997	474,789	432,208	1,412,916	215,652	177,562	8.88	222,170	228,373
Books.com Co., Ltd.	199,900	2,210,588	1,388,520	822,068	7,560,045	486,202	402,308	20.13	502,758	486,909
Retail Support International Corporation	257,200	13,746,003	13,087,430	658,573	3,399,906	183,141	213,822	8.31	253,473	339,048
Wisdom Distribution Service Corp.	108,474	3,795,258	3,252,201	543,057	4,291,431	405,300	330,520	30.47	403,688	660,058
President Chain Store (Labuan) Holdings Ltd.	USD 67,693	2,156,339	97	2,156,242	0	(389)	(106,740)	-	(106,740)	(433)
Philippine Seven Corp.	PHP757,105	15,074,336	11,406,628	3,667,708	25,538,048	384,071	(256,934)	-	(243,229)	2,196,157
Convenience Distribution Inc.	PHP125,000	408,142	281,645	126,497	1,271,070	4,366	(7,255)	-	(5,582)	98,929
Store Sites Holding, Inc.	PHP48,742	35,547	3,941	31,607	2,485	1,729	1,475	-	1,587	526
President Chain Store (Hong Kong) Holdings Ltd.	USD134,603	3,498,606	335	3,498,271	0	(396)	(251,896)	-	(251,896)	8,069
Beauty Wonder (Zhejiang) Trading Co., Ltd.	CNY60,000	145,119	18,250	126,870	14,846	(39,389)	(38,483)	-	(38,483)	25,794
President Chain Store (Zhejiang) Ltd.	CNY210,000	702,832	347,671	355,161	495,843	(115,278)	(122,224)	-	(122,224)	(16,684)
President Chain Store (Taizhou) Ltd.	CNY60,000	472,592	52,915	419,677	320,103	44,896	37,485	-	50,025	40,944
President Chain Store (Shanghai) Ltd.	CNY620,000	1,338,825	1,045,463	293,362	2,126,151	(147,643)	(150,319)	-	(150,319)	135,102
Shanghai President Logistic Co., Ltd.	USD 2,000	942,336	349,994	592,342	864,530	63,281	71,071	-	89,227	102,061
President Logistic ShanDong Co., Ltd.	CNY50,000	280,924	61,631	219,293	130,823	12,505	14,044	-	16,331	41,653
Ren Hui Holding Co., Ltd.	USD2,000	27,195	25	27,170	0	(95)	(21,614)	-	(21,614)	(56)
Shan Dong President Yinzuo Commercial Ltd.	CNY60,000	2,131,334	2,040,812	90,522	3,416,033	(142,076)	(144,465)	-	(134,017)	336,069

Consolidated Business
Reports of Affiliated
Companies

Company	Paid-in Capital	Total Assets	Total Liabilities	Shareholders' Equity	Operating Revenue	Operating Income	Net Income	EPS	Net	Operating Activities
						(Loss)	(Loss)	(NT\$)	Income(Loss)	Cash flow
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	CNY100,000	82,694	8,191	74,503	81,168	1,584	2,398	-	2,524	(5,388)
Tong Ching Corp.	16,000	65,152	25,686	39,466	152,336	8,946	8,888	5.55	11,032	12,092
President Pharmaceutical (Hong Kong) Holdings Ltd.	USD5,936	8,610	3,333	5,276	11,448	(2,472)	(32,709)	-	(32,709)	(2,585)
President (Shanghai) Health Product Trading Company Ltd.	CNY39,157	22,519	40,895	(18,376)	49,807	(31,290)	(30,377)	-	(30,377)	(33,803)
Uni-President Logistics (BVI) Holdings Ltd.	USD2,990	114,209	76	114,133	0	(63)	5,294	-	5,294	0
Zhejiang Uni-Champion Logistics Development Co., Ltd.	CNY40,000	369,604	141,201	228,402	430,544	5,910	10,716	-	13,276	19,712
Retail Support Taiwan Corp.	56,300	297,444	150,185	147,259	402,968	47,059	45,248	8.04	55,002	70,288
President Logistics International Corp.	193,500	1,821,174	1,454,609	366,565	3,891,528	11,429	88,795	4.59	99,884	333,193
Chieh Shun Logistics International Corp.	266,700	1,235,065	889,156	345,909	2,225,460	52,465	45,385	1.70	56,697	257,360

Note 1: The Company acquired shares of the subsidiary, Connection labs Ltd., in January 2021.

The exchange rates are used as follows:

(A) Spot exchange rate on 31 December, 2021 used for Balance Sheet:

RMB : NTD=1 : 4.35487 : USD : NTD=1 : 27.68000 : PHP : NTD =1 : 0.54283

HKD : NTD=1 : 3.55027 : JPY : NTD =1 : 0.24050

(B) Average exchange rate of 2021 used for Statement of Comprehensive Income and Cash Flows:

RMB : NTD=1 : 4.34098 : USD : NTD=1 : 27.99827 : PHP : NTD =1 : 0.56805

HKD : NTD=1 : 3.60206 : JPY : NTD =1 : 0.25497

PRESIDENT CHAIN STORE CORPORATION

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