

PRESIDENT CHAIN STORE CORPORATION



Uni-President Group
7-ELEVEN Yawan Store (亞萬門市)
The 10,000th Store in Asia

2022 ANNUAL REPORT

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Co-brand Store: 7-11 x Line Friend



Lifestyle Store: 7-11 x Food Service

Diverse Store Types

Meet Variety Of Needs



X-Store 6: Future Convenient Store





Diverse Lifestyle Center



Personal Paid Private Room



Intelligent Vending Machine



Foreign Imported Products



Pet's Products Special Zone



CupiCho Chocolate Specialty Store



Fresh Groceries Lifestyle Elements

Innovated Product Mix

Seize Consumer Trends



Food Service Lifestyle Element



Draft Beer Lifestyle Element



Vegetarian Co-branded Fresh Food



Vegetarian Co-branded Fresh Food

Enjoy Healthy And Safety

Upgrade Star Rated Cuisine



Co-branded Fresh Food with Famous Chefs and Restaurants



Ohlala Delicious Pasta



Co-branded Star Rated Braised Dish



CITY CAFE and CITY TEA Flavored Drinks



CITY PRIMA



iPre-Order (CVS in EC)



Cold-chain In-store Pickup Service



OPENPOINT 折抵生活繳費



水 費



電 費



瓦斯費



停車費

— 都能用點數折抵 —



Redeem Open Points for Bills



My Ship Service(Self-Operated Platform)

Expand Digital Service

Build Membership Ecosystem



Open Points Ecosystem



Public Welfare Event for Children



Public Welfare Event for Elder

Planet Sustainability

In Our Everyday Life



Sustainable Procurement_Drip Bag
Coffee of Rainforest Alliance



Food Waste Management_ Map of iLove Food Project



Plastic Reduction_OPEN iECO Recycled Cups Renting Service



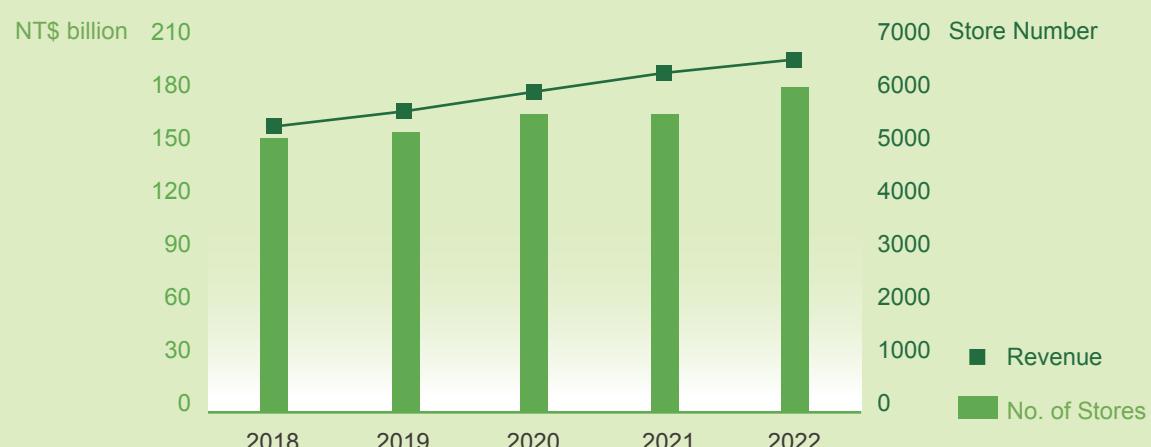
Carbon Reduction_7-11 Turn Off The Lights for Earth Hour Event

Overall Performance (alone)

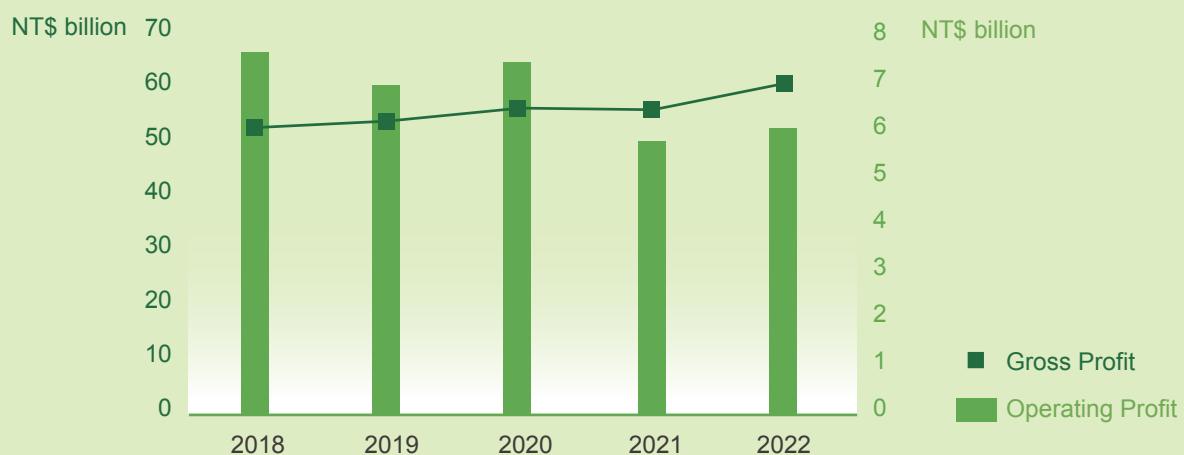
| Item / Year (NT\$1,000) | 2022 | 2021 | YoY |
|-------------------------------------|---------------|---------------|-------|
| Revenue | 182,872,403 | 168,010,130 | 8.85% |
| Gross Profit | 61,238,432 | 56,287,789 | 8.80% |
| Operating Profit | 6,093,234 | 5,797,632 | 5.10% |
| Pre-tax Profit | 10,722,264 | 9,821,359 | 9.17% |
| Net Profit | 9,281,650 | 8,861,619 | 4.74% |
| EPS(NT\$) | 8.93 | 8.52 | — |
| Weighted Average Outstanding Shares | 1,039,622,255 | 1,039,622,255 | — |

| Financial Ratios | 2022 | 2021 |
|-------------------------|-------------|-------------|
| Gross Margin | 33.49% | 33.50% |
| Operating Expense Ratio | 30.16% | 30.05% |
| Operating Margin | 3.33% | 3.45% |
| Net Margin | 5.08% | 5.27% |
| ROA | 6.32% | 6.38% |
| ROE | 26.29% | 25.25% |
| Inventory Turnover | 11.29 times | 11.84 times |
| Fixed Asset Turnover | 11.61 times | 12.85 times |

Total No. of Stores & Revenue



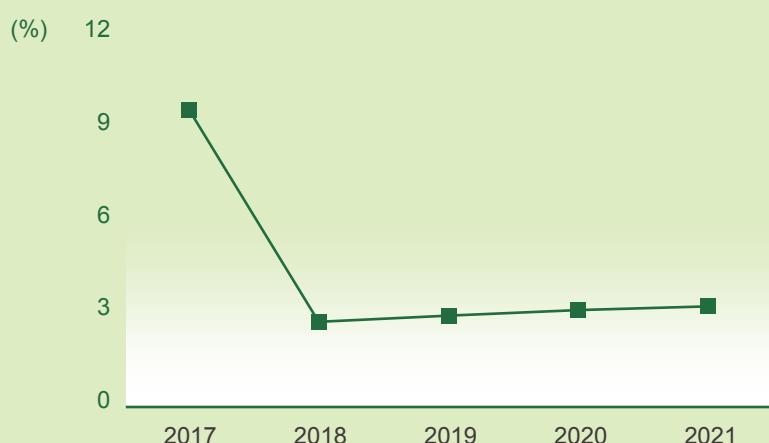
Gross Profit & Operating Profit



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,

In 2022, the world was affected by the COVID 19 epidemic, geopolitical conflicts, and inflation, posing serious challenges to business operations. All PCSC employees and franchisees were committed to their positions and continued to improve their operational processes and business models with resilience in the face of the unstable external environment to provide products and services that meet customers' needs in real time convenience. The goal was to build a lifestyle service platform that exceeds customer expectations.

PCSC worked with its subsidiaries to realize a consolidated revenue of NT\$290.43 billion and net profits of NT\$11.07 billion in 2022. We also actively promoted sustainable development of ESG, selected as a constituent of the Dow Jones Sustainability Index (DJSI) World Index for the fourth year in a row. PCSC was also awarded the "A" leadership rating for our first participation in the Carbon Disclosure Project (CDP). PCSC's sustainable governance capabilities have been recognized internationally.

Operating Performance

In 2022, 7-ELEVEN Yawan store(亞萬門市) opened in Tainan. PCSC has exceeds 10,000 7-ELEVEN stores across four regions in Asia (Taiwan, Shanghai, Zhejiang, and the Philippines).

This achievement demonstrates the company's commitment to innovation and thoughtfulness, as well as its dedication to providing millions of people with convenient access to essential services. From a single convenience store to ten thousands of locations, PCSC has transformed the convenience of one person into a shared benefit for millions, solidifying its position and reaching a new milestone.

In addition to the breakthrough in the number of stores, we continued to launch various types of stores, such as the PCSC Diverse Lifestyle Center, Veggie Selection, and Semeur Bakery lifestyle stores, in response to the demands of the business district and customers lifestyles. We have collaborated with famous IP portraits and anime such as LINE Friend, Dragon Balls, and One Piece to open themed co-branded stores, offering customers a new shopping experience. In addition, PCSC set up an intelligent retail landscape, continued to promote intelligent vending machines and intelligent coffee machines to extend the service scope outside of stores. PCSC also opened the sixth X-STORE, using innovative technologies such as AR (Augmented Reality) and VR (Virtual Reality), which allows customers to pay on their cell phones and walk out of the store directly, bringing them a richer and more innovative experience.

In terms of products, 7-ELEVEN launched OPEN iMARKET and Veggie Selection lifestyle stores to meet the new demand in the post-epidemic era, adding fresh fruits and vegetables and healthy products to meet the demand for quality fresh ingredients and food nearby. In terms of fresh food, we continue to make strategic alliances with star rated restaurants and famous chefs to become a 24-hour delicious kitchen. In the operation of CITY CAFE, we introduced a variety of bean varieties to satisfy customers' pursuit of taste and launched a convenient subscription service so customers can purchase any time and pick them up in store. In terms of services, we have become a pillar to support stable and fast logistics and delivery for e-commerce platforms and we continue to drive growth through diversified operations, such as the self-operated platform Myship and cold-chain(chill and frozen) in store pickup services.

In terms of digital services, PCSC actively expanded the functions of OPEN POINT APP and digital membership mechanism, and introduced digital tools and services, such as subscription system, Mobile ordering and pickup, iPre-order (CVS in EC), iGroup-buying (group purchases), and OPEN NOW (delivery service) on APP, and combined with the dense store network to demonstrate the advantages of online and offline operation. In terms of membership management, we continued to expand the eco-system of OPEN POINT members and expand access to 30,000 channels through our internal and external partners, with the number of members exceeding 15 million in 2022 and the revenue contribution of members and APP downloads continued to increase.

Our multi-faceted business structure and foundation have enabled us to continue to operate steadily in these changing times. By the end of 2022, PCSC and its subsidiaries had a total of 11,778 stores. President Drugstore Business Corp. (COSMED) launched a variety of store types (COSMED x Pharmacy, cross-industry combination, etc.) to take hold of trends and lifestyles. Uni-Wonder Corp. (Starbucks) enhanced its digital operations and brand experience, continued to operate specialty stores and optimize its delivery services, and strengthened the brand position. President Transnet Corp. (Takkyūbin) is a leading provider of home delivery and low-temperature delivery opportunities to meet customers' needs. 7-ELEVEN Philippines has been actively expanding its stores to take advantage of post-epidemic recovery opportunities and continues to develop differentiated products. PCSC and its subsidiaries continue to improve to meet customer needs with innovative and quality services.

Sustainable Development

PCSC strives to become a lifestyle service platform in the hearts of customers. 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, we actively promote green operations by focusing on four major projects: plastic reduction, carbon reduction, food waste management, and sustainable procurement. Our stores continue to promote iLove Food to reduce food waste and increase the ratio of sustainable raw materials in our procurement practices. We provide discounts to encourage customers to bring their own cups and continue to introduce the "Intelligent automatic recycling machines" and "OPEN iECO Recycling Cup" services, significantly reducing plastic usage. In terms of climate change, we became a TCFD supporter in 2022 and participated in the CDP climate change questionnaire, achieving A-leadership level as we actively responded and making ourselves link up with the world.

In terms of social participation, we have set up the most dense and friendly public welfare local service network, focusing on the four major public welfare issues, including aging, environment, animals, and children, and we have joined hands with public welfare organizations to promote diversified public welfare services and activities, reaching more than 2.5 million people.

In terms of corporate governance issue, PCSC has been ranked in the top 5% of corporate governance ratings for eight consecutive years and has been selected as a constituent of the MSCI Global Sustainability Index, FTSE4Good Emerging Markets Sustainability Index, and Taiwan Sustainability Index and a constituent of the DJSI World Index for four years in a row. PCSC has received international recognition and is ranked among the world's benchmark companies.

Business Prospects

These are the worst of times, as well as the best of times. Although the global economy is still rift with uncertainties and are facing various operational challenges, PCSC will continue to move steadily forward as we strengthen our operational strength and competitiveness through a professional, innovative and integrated business model to become a lifestyle service platform that exceeds customer expectations. We will continue to invest more resources in various lifestyle industries and projects such as shopping mall development, logistics construction, and operation integration as we lay a solid foundation for long-term stable development.

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 is focused 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 | • 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 | • 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 | • 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 | • Established Retail Support International Corp. • Held the first franchisee seminar, thereby launching the 7-ELEVEN franchise system in Taiwan. | 2014 | • 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 | • 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 | • 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 | • 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 | PCSC listed on the Taiwan Stock Exchange Established the joint venture President Coffee Corp. (renamed Uni-Wonder Corp.) | | |
| 1999 | • 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 | • Signed perpetual area licensing agreement with 7-ELEVEN Inc. • Acquired Philippine Seven Corp., extending operations to overseas. • Established President Transnet Corp. | | |
| 2002 | • 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 | • 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 | • 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 | • 4000th store opened. • Officially expanded into the hypermarket business in China with acquisition 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 | • 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 | • 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 CAFE machines reached 1,000, making it the largest coffee chain in Taiwan. | | |
| 2008 | • 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 | Established President Chain Store (Shanghai) Corporation and signed a licensing agreement with 7-ELEVEN (China) Business Corporation, launching 7-ELEVEN stores in Shanghai. | | |
| 2010 | • 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", a 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

- 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.
- 7-ELEVEN Philippines topped 3,000 stores as it has rapidly adapted to market changes, adjusted and optimized product structure, and strengthened digital services.

2022

- The Yawan branch (亞萬門市), the 10,000th 7-ELEVEN store in Asia, opened in Tainan. A fusion service platform showcasing Asia's life-style, it represents a new milestone bringing together products from around the world, a multi-brand/multi-functional experience, and sustainability.
- PCSC launched our first metaverse life-style service platform, joining hands with technology companies to create the X-STORE 6 which we combined with X-STORE app to create a metaverse shopping experience. In addition, as we are optimistic about the popularization of the trend, PCSC introduced a new generation of "X POS", which have both manual and self-checkout functions, making smart technology a part of our daily life, and building the highest density of smart life-style services platform.
- 7-ELEVEN launched OPENIMART, a new type of complex store that integrates three categories of products, including local produce, premium frozen products, and seasonings from around the world, creating neighborhood "selection stores" offering 24-hour service.
- 7-ELEVEN positioned itself as a "neighborhood kitchen", working together with four international five-star hotels and eight Michelin restaurants to develop co-branded products for our "Star Rated Cuisine", driving growth in related categories.
- 7-ELEVEN continued to build the OPEN POINT cross-channel ecosystem, with the number of members exceeding 15.5 million. We launched a subscription system and spending OPEN POINT Points toward bills collection to further enhance member loyalty. The OPEN POINT ecosystem also won the IDC Industry Ecosystems Innovation Award.
- Zhejiang 7-ELEVEN opened its 100th store in Hongtai Plaza, as it continued to expand its presence and provide differentiated products and services.
- PCSC continued to work toward a sustainable circular economy, joining hands with President Packaging Ind. Corp. to create our own OPEN iECO cup borrow & return machines, the most expansive in the industry. We also worked with President Packaging Ind. Corp. to create "i circle", an efficient smart recycling machine, making it easy to implement green living.
- PCSC was selected as one of the top 250 retailers in the world by Deloitte for the eighth consecutive year.
- PCSC was awarded A- in the CDP Climate Change Questionnaire for the first time and was selected as a constituent of the Dow Jones Sustainability Index (DJSI) for the fourth consecutive year. We were ranked in the top 5% of corporate governance for eighth consecutive year, and were once again selected as a constituent of the MSCI Global Sustainability Index, the FTSE4Good Emerging Markets Sustainability Index, and the Taiwan Sustainability Index.
- PCSC was recognized as a model in the Integrated Performance - Service Industry, Age Friendly Group, and the Philanthropy Promotion Group in the 2022 Vision CSR & ESG Corporate Social Responsibility Awards. PCSC received the TCSA Taiwan Corporate Sustainability Award for the sixth consecutive year, and won five awards in 2022, the highest in the retail industry.

2023

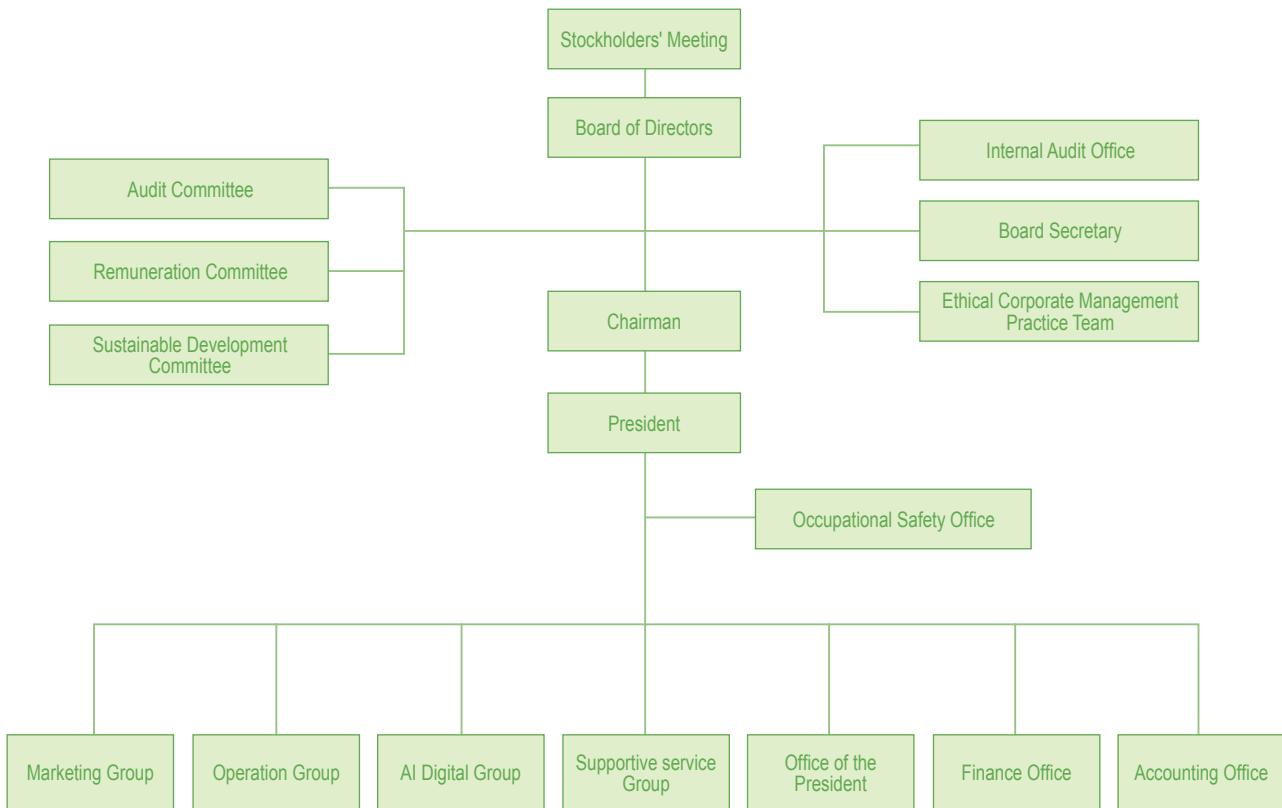
- To meet the ever-expanding demand for logistics, PCSC Penghu Transshipment Center, the first multi-temperature distribution center in the outlying islands, was officially opened. Logistics efficiency and service quality have been enhanced through the integration of resources to ensure that consumers residing in outlying islands can obtain products quickly and safely.

3 Corporate Governance

1. Organization

(1) Organization Chart

Date: 28 February 2023



(2) Responsibilities of Key Groups:

- Audit Committee: Enhances Company's internal monitoring mechanism and assists the board of directors in decision-making.
- Remuneratiion Committee: Evaluates Company's remuneratiion 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.
- Supportive service 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, Show-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, Show-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 | 0.00% | 13,652 | 0.00% | - | - | - | - | 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 | 0.00% | 15,391 | 0.00% | - | - | - | - | 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 | 0.00% | 556 | 0.00% | 737 | 0.00% | - | - | 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 ¹ 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 98 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 98 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 2023, average tenure of incumbent directors is 8 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:

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| Name of Institutional Shareholder | Principal Shareholders in PCSC Institutional Shareholders |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Uni-President Enterprises Corp. | Kao Chuan Investment Co., Ltd. (5.00%); Cathay Life Insurance Co., Ltd. (4.81%); BNP Paribas - Hong Kong Branch (3.02%); Hou, Po-Ming (2.60%); Hou, Po-Yu(2.27%); Kao,Shiow-Ling (1.64%); New Labor Pension Fund (1.57%); Government of Singapore (1.52%); Chunghwa Post Co., Ltd. (1.37%); Norges Bank-fund mgr Neuberger Berman Europe Limited(1.31%) |
| 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:

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| Name of Institutional Shareholder | Principal Shareholders in Institutional Shareholders |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cathay Life Insurance | Cathay Financial Holdings Co., Ltd.(100%) |
| Chunghwa Post Co., Ltd. | Ministry of Transportation and Communications .(100%) |
| Infinity Holdings Ltd. | Kao, Shiow-Ling (56%); Lo, Chih-Hsien (20.3%); Kao, Han-Di (7.1%); Kao, Tsu-Yi (7.1%); Lo, Hsi-Ai (7.1%);Klassical Celestinality Holding Ltd. (2.4%) |
| Eternity Holdings Ltd. | Kao, Shiow-Ling (70.765%); Lo, Chih-Hsien (21.18%); Kao, Han-Di (3.02%); Kao, Tsu-Yi (2.21%); Lo, Hsi-Ai (2.02%); Klassical Celestinality Holding Ltd.(0.805%) |

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

| Qualifications Name | Professional qualifications and experience (Note1) | Independence | Number of independent directorships held in other public companies |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------|
| 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, Shiow-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. | | 1 |
| 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 Nissin 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 Name | Professional qualifications and experience (Note1) | Independence | Number of independent directorships held in other public companies |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 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 Chaung Technology Corp. ; legal consultant of Holding Disp. Co., Ltd., Education: Master of Laws (LL.M.), University of Pennsylvania Law School: Master of Business of Administration (MBA), University of Pennsylvania Wharton School Experience: 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: Director of Hua Vi Venture Capital Corp.; Director of Kinpo Electronics Inc. Education: Ph.D. in Information Engineering, National Taiwan University Experience: Professor, the Department of Computer Science and Information Management, Soochow University ; 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 :

(A) Board Diversity:

1. 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.
2. 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:
 - (1) Basic conditions and values: gender, age, etc.
 - (2) Professional knowledge and skills: professional background, professional skills and industry experience, etc.
3. Please refer to the composition and duties of the Board of Directors in P.33 "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)

(B) 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

| Director Name | Item 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, Shiom- 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:

| Name | Item | 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, Shiow-Ling | | | | V | V | | | | | | | | | | | V | — |
| Chen, Jui-Tang | | | | V | | V | | V | V | V | V | | V | V | V | V | — |
| Huang, Jui-Tien | | | | V | | V | | | | | | | V | V | V | V | — |
| Huang, Jau-Kai | | | | V | | V | | | | | | | V | V | V | V | — |
| Su, Tsung-Ming | | V | V | | V | | | | | | | | V | V | V | V | 1 |
| Wu, Liang-Feng | | | | V | | V | | | | | | | V | V | V | V | — |
| Wu, Kun-Lin | | | | V | | V | | | | | | | V | V | V | V | — |
| Wu, Tsung-Pin | | | | V | | V | | | | | | | V | V | V | V | — |
| Wu, Wen-Chi | | | | V | | V | | V | V | 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 “✓” 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:

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| 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 | % | | | | 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 (note 4) | 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 | Kuo, Ching-Feng | Male | 2022.05.26 | 2,000 | — | — | — | — | BA, Management Science, National Chiao Tung University | (Note 2) | — | — | — | — |
| Vice President | R.O.C | Lee, Tsung-Hsien | Male | 2022.05.26 | — | — | — | — | — | BA, Business Administration, Soochow University | (Note 2) | — | — | — | — |
| Vice President | R.O.C | Lu, Yung-Wei | Male | 2022.05.26 | 1,000 | — | — | — | — | MA, Animal Science and Technology, National Taiwan 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 | 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 100 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 100 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.

Note 4: Chen, Jui-Tang was dismissed in February 2023.

(3) Remuneration paid to Company directors, president, and senior vice presidents over the past year

1. Directors and Independent Directors remuneration:

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| Title | Name | Director Remuneration | | | | | | | | Summation of A, B, C, and D and as a % of After-Tax Income | | | | Compensation to Directors Also Serving as Company Employees | | | | Summation of A,B,C, D, E, F and G and as a % of After-Tax Income | | | | Compensation from parent company and affiliates other than subsidiaries (Note 3) | | |
|------------------------------------|---------------------------------|-----------------------|----------------------------|--------------|----------------------------|------------------------------------|----------------------------|-----------------------|----------------------------|------------------------------------------------------------|----------------------------|--------------|----------------------------|-------------------------------------------------------------|----------------------------|----------------------------|----------------------------|------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------------------------------------------------------------|-------|-------|
| | | Remuneration (A) | | Pensions (B) | | Director Earnings Distribution (C) | | Business Expenses (D) | | Salary, Bonuses, and Special Allowance (E) (Note 1) | | Pensions (F) | | Employee Earnings Distribution (G) (Note 2) | | All consolidated companies | | All consolidated companies | | All consolidated companies | | | | |
| | | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | | | |
| Director Institutional Shareholder | Uni-President Enterprises Corp. | 1,440 | 1,800 | - | - | 151,781 | 156,339 | - | - | 153,221 | 1.65% | 158,139 | 1.70% | - | - | - | - | - | - | 153,221 | 1.65% | 158,139 | 1.70% | 7,071 |

※In addition to above information, remuneration to Directors who provide services to PCSC or consolidated companies: None.

Note 1: Includes car leasing expenses for managers.

Note 2: Earnings distribution for 2022 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 3: Compensation received for directors and supervisors of parent company and affiliated enterprises that are not consolidated into the financial statement.

31 December 2022 / Unit: NT\$1000

| Title | Name | Director Remuneration | | | | | | | | Summation of A, B, C, and D and as a % of After-Tax Income | | | | Compensation to Directors Also Serving as Company Employees | | | | Summation of A,B,C, D, E, F and G and as a % of After-Tax Income | | | | Compensation from parent company and affiliates other than subsidiaries (Note 5) | | | | |
|----------------------------------------------------------|--------------------------------|-----------------------|----------------------------|--------------|----------------------------|------------------------------------|----------------------------|-----------------------|----------------------------|------------------------------------------------------------|----------------------------|--------------|----------------------------|-------------------------------------------------------------|----------------------------|----------------------------|----------------------------|------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------------------------------------------------------------|-------|---------|-------|---------|
| | | Remuneration (A) | | Pensions (B) | | Director Earnings Distribution (C) | | Business Expenses (D) | | Salary, Bonuses, and Special Allowance (E) (Note 3) | | Pensions (F) | | Employee Earnings Distribution (G) (Note 4) | | All consolidated companies | | All consolidated companies | | All consolidated companies | | | | | | |
| | | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | PCSC | All consolidated companies | | | | | |
| Director Institutional Shareholder | Kao Chuan Investment Co., Ltd. | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chairman (Representative) | Lo, Chih-Hsien (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative) | Kao, Shio-Wing (Note 2) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative)/ Special Assistant to Chairman | Chen, Jui-Tang (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative)/ President | Huang, Jui-Tien (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative) | Huang, Jau-Kai (Note 1) | 360 | 4,740 | - | - | 14,455 | 14,455 | 3,600 | 4,980 | 18,415 | 0.20% | 24,175 | 0.26% | 72,198 | 85,168 | 624 | 624 | 4,411 | - | 6,863 | - | 95,648 | 1.03% | 116,831 | 1.26% | 367,682 |
| Director (Representative) | Su, Tsung-Ming (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative) | Wu, Liang-Feng (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative) | Wu, Kun-Lin (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative) | Wu, Tsung-Pin (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director (Representative)/ Chief Financial Officer | Wu, Wen-Chi (Note 1) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Hung, Yung-Chen | | | | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Hsu, Ke-Wei | | | | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Chen, Liang | | | | | | | | | | | | | | | | | | | | | | | | | |

※Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks, and time spent:

PCSC provides transportation allowance for independent directors based on attendances for the meetings of the Board of Directors and other functional committees.

※In addition to above information, remuneration to Directors who provide services to PCSC or consolidated companies: None.

Note 1: Representative of Uni-President Enterprises Corp.

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

Note 3: Includes car leasing expenses for managers.

Note 4: Earnings distribution for 2022 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 5: Compensation received for directors and supervisors of parent company and affiliated enterprises that are not consolidated into the financial statement.

| 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, Shiow-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; | Su, Tsung-Ming; Wu, Tsung-Pin; Wu, Liang-Feng; Wu, Kun-Lin; Huang, Jau-Kai; Chen, Jui-Tang; Wu, Wen-Chi; | | Kao, Shiow-Ling; Su, Tsung-Ming; Wu, Tsung-Pin; Wu, Liang-Feng; Wu, Kun-Lin; Huang, Jau-Kai; | Wu, Liang-Feng |
| NT\$1,000,000 (incl.)~NT\$2,000,000 | Lo, Chih-Hsien; Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang | Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang | | Lo, Chih-Hsien; Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang | Hung, Yung-Chen; Hsu, Ke-Wei; Chen, Liang |
| NT\$2,000,000 (incl.)~NT\$3,500,000 | — | Lo, Chih-Hsien; Kao, Shiow-Ling; Huang, Jui-Tien | | — | — |
| 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 | Su, Tsung-Ming; Wu, Wen-Chi |
| NT\$15,000,000 (incl.)~ NT\$30,000,000 | — | — | | Chen, Jui-Tang | Kao, Shiow-Ling; Chen, Jui-Tang; Huang, Jau-Kai; 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 | — | — | | — | Kao Chuan Investment Co., Ltd.; Lo, Chih-Hsien |
| Total | 14 | 14 | | 14 | 14 |

2. President and senior vice president remuneration:

31 December 2022 / 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 | 20,560 | 21,800 | 445 | 445 | 40,296 | 41,076 | 3,299 | - | 3,299 | - | 64,599 | 0.70% | 66,619 | 0.72% | 300 |
| Special Assistant to Chairman | Chen, Jui-Tang | | | | | | | | | | | | | | | |

Note 1: Includes car leasing expenses for managers.

Note 2: Earnings distribution for 2022 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 2022/ Unit: NT\$1000

| | Title | Name | Stock | Cash | Total | Total as a % of After-Tax Income |
|------------|-------------------------------|---------------------------|-------|--------|--------|----------------------------------|
| Management | President | Huang, Jui-Tien | - | 14,402 | 14,402 | 0.16% |
| | 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 | Kuo, Ching-Feng (note 2) | | | | |
| | Vice President | Lee, Tsung-Hsien (note 2) | | | | |
| | Vice President | Lu, Yung-Wei (note 2) | | | | |
| | Vice President | Lin, Hung-Chun (note 2) | | | | |
| | Project Vice President | Hsu, Kwang-Yu (note 2) | | | | |
| | Project Vice President | Hsieh, Kuan-Hung | | | | |
| | Project Vice President | Hsieh Hung, Hui-Tzu | | | | |
| | Project Vice President | Wu, Hui-Chen | | | | |
| | Project Vice President | Chang, Kuo-Kuang | | | | |

Note 1: Earnings distribution for 2022 has not yet been approved by general shareholders meeting. These figures are based on the proposal approved by the Board.

Note 2: Lin, Hung-Chun was dismissed in May 2022; Hsu, Kwang-Yu was dismissed in June 2022; Kuo, Ching-Feng, Lee, Tsung-Hsien, and Lu, Yung-Wei began their term in May 2022.

(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 |
|----------------|----------------------------|-----------|--------------------------------------|
| 2022 (Note) | PCSC | 2.72% | 0.70% |
| | All consolidated companies | 3.00% | 0.72% |
| 2021 (Note) | PCSC | 2.56% | 0.59% |
| | All consolidated companies | 2.83% | 0.62% |

Note:PCSC's net income after tax in 2022 was NT\$9,281,650,000. PCSC's net income after tax in 2021 was NT\$8,861,619,000.

Remuneration paid for directors increased mainly due to increase in net income in 2022. Remuneration paid for President and Senior Vice Presidents increased mainly due to increase in net income in 2022.

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 9 (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 | 9 | 0 | 100% | - |
| Director | Kao Chuan Investment Co., Ltd. Kao, Shiow-Ling | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Chen, Jui-Tang | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Huang, Jui-Tien | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Huang, Jau-Kai | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Su, Tsung-Ming | 8 | 1 | 89% | - |
| Director | Uni-President Enterprises Corp. Wu, Liang-Feng | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Wu, Kun-Lin | 9 | 0 | 100% | - |

| Title | Name | Meetings Attended Personally (B) | Meetings Attended by Proxy | Personal Attendance Rate (B/A) | Remarks |
|----------------------|-----------------------------------------------|----------------------------------|----------------------------|--------------------------------|---------|
| Director | Uni-President Enterprises Corp. Wu, Tsung-Pin | 9 | 0 | 100% | - |
| Director | Uni-President Enterprises Corp. Wu, Wen-Chi | 9 | 0 | 100% | - |
| Independent Director | Hsu, Ke-Wei | 9 | 0 | 100% | - |
| Independent Director | Chen, Liang | 9 | 0 | 100% | - |
| Independent Director | Hung, Yung-Chen | 9 | 0 | 100% | - |

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 32 "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 February 24, 2022, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of real estate from related parties (Uni-President Enterprises Corp., President Drugstore Business Corp., Uni-Wonder Corp.). 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 present and approved the proposal as presented.

(2)On May 5, 2022 discussed, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (Uni-Wonder Corporation). The 10 directors of Uni-President Enterprises Corp. and PCSC, 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 other directors present and approved the proposal as presented.

(3)On May 26, 2022, the board of directors proposed the following issues:

The Company's personnel appointment case (three cases in total). In accordance with Article 11 of the Integrity Management Operating Procedures and Behavior Guidelines, Vice President Lin, Chi-Chang, Vice President Hsieh, Lien-Tang, Group Leaders Kuo, Ching-Feng, and Lee, Tsung-Hsien left the meeting to prevent conflict of interests.

(4)On August 4, 2022, the board of directors proposed the following issues:

Lease case of the underlying assets of the Company. The Company holds 6.4178% of the underlying assets. The directors of Uni-President Enterprises Corp. and the directors (chairman Kao, Shiow-Ling and her spouse, director Huang, Jui-Tien) of Uni-President Department Store Corp., a total of 10 people, 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 other directors present and approved the proposal as presented.

(5)On November 3, 2022, the board of directors proposed the following issues:

1. The Board of Directors decided on Proposal 7 (revocation), Proposal 8 (renewal structure of shopping mall leasing), Proposal 9 (labor contract) and Proposal 10 (acquisition/disposal of real estate use right assets by related parties), a total of four case. The interested parties need to temporarily avoid the meeting (no discussion, no speaking, no voting).
2. In order to ensure the smooth conduct of the meeting, these four motions were read out and explained case by case, and the interested parties were asked to leave the meeting temporarily for recusal. The three independent directors elected the independent director Hung, Yung-Chen to act as the chairman for the time being and discussed and voted on the four cases one by one.
3. A total of 10 interested parties were present, including representatives of the corporate directors of Uni-President Enterprises Corp. and director Kao, Shiow-Ling (spouse of the chairman).
4. 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.

(6)On December 14, 2022, the board of directors proposed the following issues:

1. PCSC 2023 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 presidents Lee, Tsung-Hsien, Kuo, Ching-Feng, 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.
2. The full amount of the compensation paid to the Company by Ting Hsin was donated to charity: 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 presidents Lee, Tsung-Hsien, Kuo, Ching-Feng, 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.
3. The Company intends to acquire or dispose of right-of-use assets of the real estate (lease adjustment) from related parties and sign a project contract with a related party. The interested parties need to temporarily avoid the meeting (no discussion, no speaking, no voting). In order to ensure the smooth conduct of the meeting, the interested parties were asked to leave the meeting temporarily for recusal. The three independent directors elected the independent director Hung, Yung-Chen to act as the chairman for the time being and discussed and voted on the two cases one by one. A total of 10 interested parties were present, including representatives of the corporate directors of Uni-President Enterprises Corp. and director Kao, Shiow-Ling (spouse of the 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.

(7)On February 23, 2023, the board of directors proposed the following issues:

The Company intends to acquire or dispose of right-of-use assets of the real estate from related parties (Mech-president Corp., Prince Housing & Development Corp., Uni-President Enterprises Corp., Director/General Manager Huang, Jui-Tien, President Drugstore Business Corp.). 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 Committee, 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, including vice president Wu, Wen-Chi (convener), project vice president Wu, Hui-Chen, group leader Lua, Wen-Ji, and three independent directors Hsu, Ke-Wei, Chen, Liang and Hung, Yung-Chen. They are responsible for the direction of corporate social responsibility and sustainability policy, promoting program development and overseeing program implementation. 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 order to coordinate the management of various types of risks, establish policies and management areas for risk management and information security management, plan future operations, and strengthen ESG management, the Company changed the "Risk and Information Security Management Office" under the Sustainable Development Committee to "Cyber Security Committee" and "Risk Management Committee" in the Board of Directors' Meeting on December 14, 2022. 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.

- (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, 2022 to February 28, 2023, 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, 2022 to December 31, 2022 | 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) Aspects 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.
- The average actual attendance of the directors of the company (excluding proxy attendance) reached 99.4%. The average actual attendance of the functional committees was 100%.

(3) Operations of the Audit Committee:

- 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 eight meetings in 2022, it primarily discussed the following items:
 - Reviewing financial reports: The Board prepared the Company's 2021 business report, financial statements, and proposal for allocation of 2021 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.
 - 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.
 - 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 23, 2022.
- As of publication of the Annual Report, there had been a total of 10 (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 | 10 | 0 | 100 % | — |
| Independent Director | Hsu, Ke-Wei | 10 | 0 | 100 % | — |
| Independent Director | Hung, Yung-Chen | 10 | 0 | 100 % | — |

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: Please refer to page 54 "Major resolutions voted on at Shareholder, Board Meetings, Audit Committee, and Remuneration Committee during the most recent year and as of the date of publication of the Annual Report". All the resolutions were approved by the majority of the Audit Committee members and then were approved by the Board meetings.
 - 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 2022 are as follows, all independent directors had no opinion:

| Date | Items Discussed |
|------------|----------------------------------------------------------------------|
| 2022/02/23 | October 2021- January 2022 audit execution report |
| 2022/05/04 | February -March 2022 audit execution report |
| 2022/08/03 | April -June 2022 audit execution report |
| 2022/11/02 | 1.July - September 2022 audit execution report 2. 2023 Audit Plan |
| 2023/02/22 | October 2022- January 2023 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 2022, the Audit Committee and the independent auditors retained by the Company discussed the following items, all independent directors had no opinion:

| Date | Items Discussed |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2022/02/23 | The independent auditors discussed the 2021 financial report. |
| 2022/05/04 | The independent auditors discussed the Q1 of the 2022 financial report. |
| 2022/08/03 | The independent auditors discussed the Q2 of the 2022 financial report. |
| 2022/11/02 | 1. The independent auditors discussed the Q3 of the 2022 financial report. 2. The independent auditors discussed the pre audit of 2022 financial report. 3. Audit Quality Indicators 4. Important amendment of IESBA Code. |
| 2023/02/22 | The independent auditors discussed the 2022 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 | | | Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Brief Explanation | |
| 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 | | 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. 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. 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. 4. The Company periodically educates directors and management on the Board that insider trading is prohibited. 5. The Company periodically uses the monthly management report to carry out internal training on related topics. 6. The company periodically reports shareholding changes to the company through insiders and educates on related topics. | Compliant |

| Items Evaluated | Status | | | Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies | | | | | | | | | | |
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| | Yes | No | Brief Explanation | | | | | | | | | | | |
| 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:</p> <p>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 5 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 |
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| | Yes | No | |
| (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. 2022 Accountant Independence evaluation was passed by the audit committee on February 23 2022 and submitted to the board of directors on February 24 2022 for approval. 2023 Accountant Independence evaluation was passed by the audit committee on February 22 2023 and submitted to the board of directors on February 23 2023 for approval. In 2023, with reference to 13 audit quality indicators (AQIs), it is confirmed that the audit experience of accountants and the firms is better than the average level of the industry, and the number of missing audits inspected by the Financial Supervisory Commission is 0. In addition, digital audit tools will continue to be introduced in the last three years to assist Data analysis-based audit work and to reduces review risks and improves efficiency. 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 2) 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 every year and reported Audit Quality Indicators (AQIs) to the independent directors by the Audit Committee on November 2, 2022 to assist the Audit Committee in evaluating the appointment of the accountants in accordance with their terms of reference. 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. 2022 business execution explained below:</p> <ul style="list-style-type: none"> (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. (2) Assisted directors comply with regulations by providing company management and corporate governance regulations, and regularly providing the latest versions of these documents. (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. (4) Draw 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. (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. (6) Periodically review the qualifications of independent directors during their service. (7) Assist in the reporting of insider shareholdings. <p>4. In 2022, Hsieh Hung, Hui-Tzu, Project Vice President of Corporate Governance, had taken classes entitled "New Business Model Trend - Subscription System", "Corporate Governance: Fairness, Prevention of Money Laundering, Insider Trading and Personal Data Protection as Examples" and "Identify Future Growth Momentum and Create a New Style of Brand" organized by Taiwan Institute of Directors, "2022 Reference Guide for Independent Directors and the Audit Committee on the Exercise of Powers and Functions Released and Director Advocacy Meeting" organized by Taiwan Stock Exchange , total 12 hours.</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 |
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| | Yes | No | Brief Explanation | |
| 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/ir/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 Chief Financial Officer /Vice President Wu, Wen-chi 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 2021 and 2022 annual Financial Reports on February 24, 2022 and February 23, 2023, respectively, one month earlier than required.</p> <p>2. The first, second, and third quarter Financial Reports of 2022 were declared respectively on May 5, August 4, and November 3, 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 | |
| 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. 2022 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, Vice President Chang, Chia-Hua, and Vice President Hsieh Hung, Hui-Tzu had taken classes entitled "New Business Model Trend - Subscription System", "Corporate Governance: Fairness, Prevention of Money Laundering, Insider Trading and Personal Data Protection as Examples" and "Identify Future Growth Momentum and Create a New Style of Brand" organized by Taiwan Institute of Directors, "2022 Reference Guide for Independent Directors and the Audit Committee on the Exercise of Powers and Functions Released and Director Advocacy Meeting" organized by Taiwan Stock Exchange , total 9 hours.</p> <p>(2) President Huang, Jui-Tien, Special Assistant to Chairman Chen, Jui-Tang, Chief Financial Officer Wu, Wen-Chi, Vice President Lin, Chi-Chang, Vice President Chang, Chia-Hua, Vice President Kuo, Ching-Feng, and Vice President Lee, Tsung-Hsien had taken classes entitled "The Future Development of the Metaverse and Cryptocurrency Blockchain in the Course of Corporate Governance for Listed Companies" and "Legal risk analysis course for directors and supervisors in major corporate malpractices" organized by Republic of China Securities and Futures Market Development Foundation, total 6 hours.</p> <p>(3) Chief Auditor Lee, Kun-Feng had taken courses entitled "Exploring the Impact of ESG Risk on Corporate Internal Control and Response Measures Under the Wave of Climate Change and Sustainable Development", "Enhance the sustainable value of the enterprise and improve the risk management system", and "Labor standard act knowledge necessary for supervisors at all levels" organized by The Institute of Internal Auditors, total 18-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 Index for four 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 eight 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. In order to coordinate the management of various types of risks, establish policies and management areas for risk management and information security management, plan future operations, and strengthen ESG management, the Company changed the "Risk and Information Security Management Office" under the Sustainable Development Committee to "Cyber Security Committee" and "Risk Management Committee" in the 12th meeting of the 13th Board. 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> | 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 | | |
| | | | <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> | |

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:

1. Improvements made: According to the results of the latest (seventh) Corporate Governance Evaluation, the Company has made major improvements which are explained below:
 - (1) The Company obtained the Taiwan Intellectual Property Management System (TIPS) certification.
 - (2) The Company obtained ISO50001 energy management system certification from the Energy Bureau of the Ministry of Economic Affairs.
 - (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.
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:
 - (1) The Company expects to advance the shareholders' meeting to before the end of May.
 - (2) The Company's Code of Corporate Governance Practices stipulates that directors are prohibited from trading their shares during the closed period prior to the announcement of financial results, and implements the declaration.
 - (3) The Company expects to disclose the implementation and results of the internal performance evaluation of the functional committee on the Company's website.
 - (4) The Company expects to disclose the professional qualifications and experience of the members of the Board and the functional committee on the Company's website.
 - (5) The Company expects to report and disclose the composition, duties and operations of the Sustainability Development Committee (a functional committee other than the statutory one).
 - (6) The Company expects to disclose the succession plan of board members and key management personnel on the Company's website.
 - (7) The Company's quarterly consolidated financial statements are expected to be approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution.
 - (8) The Company expects to establish the Cybersecurity Committee, the Information Security Policy, and introduce the ISO 27001 Information Security Management System standard.
 - (9) The Company expects to upload the entire uninterrupted audio recording after the shareholders' meeting.
 - (10) The Company expects to report changes in insider holdings for the previous month by the 10th of each month.
 - (11) The Company expects to disclose its workplace diversity policies or policies to promote equality and how they are being implemented.
 - (12) The Company expects to assess the risks or opportunities to the community and act accordingly.
3. PCSC will continue to evaluate the feasibility of future improvement on other items.

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 |
| 16. Has the external auditor is subject to disciplinary action or violated to independence? | No | Yes |
| 17. Does the external auditor provide and report to the audit committee the audit quality indicators (AQIs), the company refers to the indicators to assess the competence of external auditor? | Yes | Yes |

2022 Director Continuing Education

| Name | Date(s) | Organizer | Course Name | Time |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Lo, Chih-Hsien, Kao, Shiow-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, Chen, Liang | 4/20 | Taiwan Institute of Directors | New Business Model Trend - Subscription System | 3 hours |
| Lo, Chih-Hsien, Kao, Shiow-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 | 10/18 | Taiwan Institute of Directors | Identify Future Growth Momentum and Create a New Style of Brand | 3 hours |
| Wu, Liang-Feng | 7/27 | Taiwan Institute of Directors | Reshaping Risk and Resilience in the Post-Epidemic Era | 3 hours |
| Wu, Liang-Feng | 10/28 | Taiwan Institute of Directors | Thinking Outside the Organizational Box - Key to Business Transformation Strategy | 3 hours |
| Su, Tsung-Ming | 6/28 | Taiwan Academy of Banking and Finance | Corporate Governance Seminar-Directors and Supervisors' Responsibilities: Starting with Business Secrets | 3 hours |
| Su, Tsung-Ming | 9/16 | Taiwan Insurance Institute | Corporate Governance Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Executives (111, No.5) - "Explanation of the Principle of Fair Treatment of Customers" Study | 3 hours |
| Wu, Wen-Chi | 10/21 | Securities and Futures Institute | Advanced Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Executives - Money Laundering Prevention and Anti-Financing Practices | 3 hours |
| Chen, Liang | 7/19 | Taiwan Corporate Governance Association | The trend of carbon management towards Net-Zero and how to deal with it | 3 hours |
| Hung, Yung-Chen | 3/10 | Jointly organized by Taiwan Stock Exchange, QIC and Georgeson | International Perspectives on Independent Directors and the 2022 Shareholders' Meeting Online Seminar | 1 hours |
| Hung, Yung-Chen | 3/22 | Taiwan Corporate Governance Association | The Development of Green Industry - Low Carbon Investment Outlook and Business Strategies | 3 hours |
| Hung, Yung-Chen | 9/6 | Taiwan Corporate Governance Association | The Real Value Created by Circular and Low Carbon Innovation - A Look at Circular Economy and Governance | 3 hours |

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

1. Remuneration Committee members

| Position (Note 1) | Name | Qualifications | Professional qualifications and experience | Independence | Number of independent directorships held in other public companies |
|----------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------|
| | | | | | |
| 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 : Independent Director of Nidec Chaun-Choung Technology Corp., legal advisor of Holding Disp. Co., Ltd., General Counsel and legal advisor of Neobards Entertainment Ltd., Senior Consultant of Jones Day International Law Firm | <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"> Employees of the Company or its affiliates. Directors and supervisors of the company or its affiliates. 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. 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. 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. 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. 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. 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. 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. | 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, Director of Kinpo Electronics Inc., Professor, the Department of Computer Science and Information Management, Soochow University, 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 |

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 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 | Hsu, Ke-Wei | 3 | 0 | 100% | - |
| Member | Hung, Yung-Chen | 3 | 0 | 100% | - |
| Member | Chen, Liang | 3 | 0 | 100% | - |

Other issues to be noted:

1. 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.

2. 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.

3. Remuneration Committee functions and powers:

(1) Draw up and regularly review the performance evaluations for directors and managers and remuneration policies, system, standards, and structure.

(2) Regularly evaluate and stipulate remuneration for directors and managers.

(6) Promoting Sustainable Development Implementation

| 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 | |
| 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. In order to implement the promotion of corporate social responsibility and sustainable management of the Company, the Company's Board of Directors resolved to establish a "Corporate Social Responsibility Committee" under the Board of Directors on December 12, 2018, and the "Organizational Rules of the Corporate Social Responsibility Committee" was approved by the Board of Directors 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 Sustainable Development policy direction and promotion plan, with the following main responsibilities:</p> <ul style="list-style-type: none"> (1) The Company's corporate social responsibility and sustainable management system is proposed to be revised in accordance with the relevant regulations. (2) Oversee the direction and promotion plan of our corporate social responsibility and sustainable development policy, and regularly track the progress of implementation. (3) 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. (4) Validate the Sustainability Report. (5) Other matters that the Board of Directors has resolved to direct the Committee to do. The committee met twice, once on June 24 and once on December 13 in 2022, and reported to the Board of Directors on December 14 on the current year's performance results and the next year's performance plan. <p>3. The Company's Board of Directors receives regular reports from the Sustainable Development Committee each year to monitor the results and make plans for the year's ESG, risk and safety initiatives, and to urge the Sustainable Development 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 | | | Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | Brief Explanation | |
| 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 2021 to December 2021, with some information prior to 2021. 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 order to strengthen ESG management, in December 2022, PCSC's board of directors resolved to changed the "Risk and Information Security Management Office" under the Sustainable Development Committee to "Cyber Security Committee" and "Risk Management Committee".</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. EUI value (energy use intensity) of electricity consumption in stores was 833.2 kWh/m² in 2021, 6.46% less in 2021, 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> <p>3. On July 12, 2022, a 5.94kWp solar power and energy storage system had been set up at the 7-Eleven Yawan store in Tainan City in cooperation with TCC to start the starting point of solar power application.</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 | | 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. In the first year of 2022, we responded to the CDP (Carbon Disclosure Project) questionnaire and received an A-Leadership grade, being one of the 33 companies in Taiwan at that time, and the first and only operator of convenience stores. | Compliant |

| Items Promoted | Status | | | | | Variations (if any) with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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----|
| | Yes | No | Brief Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (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 2021 covered 6,522 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>2020</td> <td>30,910</td> <td>472,365</td> <td>4.15</td> <td>193,802</td> </tr> <tr> <td>2021</td> <td>31,253</td> <td>464,933</td> <td>2.95</td> <td>185,911</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 by 2025 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>Non-recyclable waste weight (tons)</th> <th>Data Scope of non-recyclable waste</th> </tr> </thead> <tbody> <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> <tr> <td>2021</td> <td>2,483,875</td> <td>Actual statistics: Headquarters building and 4,071stores Estimated: 9 zones offices and 2,308 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. Taking 2019 as the base year, PCSC promises to reduce the water consumption of each store by 1% (after deducting the water used to freshly prepared beverages). By 2025, the water consumption should be reduced by 5% compared to the base year. The average water consumption per store in 2021 was 368(unit/number of stores), a decrease of 18.3% compared with the base year. In addition to PCSC's attempt of reducing in-store water consumption, the amount was drastically reduced as some stores were closed from 7 to 100 days in 2021 due to the pandemic. In the future, we will continue to track the changes in water consumption as a reference for future target setting and water management.</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>2020</td> <td>53,793</td> <td>Actual statistics: Headquarters building and 925 stores Estimated valuation: 8 zones offices and 5,009 stores</td> <td>12,113</td> </tr> <tr> <td>2021</td> <td>56,156</td> <td>Actual statistics: Headquarters building and 1010 stores Estimated valuation: 9 zones offices and 5,369 stores</td> <td>13,270</td> </tr> </tbody> </table> | Year | Scope 1 | Scope 2 | GHG emissions intensity (CO2 e /mn turnover) | Scope 3 | 2020 | 30,910 | 472,365 | 4.15 | 193,802 | 2021 | 31,253 | 464,933 | 2.95 | 185,911 | Year | Non-recyclable waste weight (tons) | Data Scope of non-recyclable waste | 2020 | 2,830,318 | Actual statistics: Headquarters building and 3,952 stores Estimated: 8 zones offices and 2,072 stores | 2021 | 2,483,875 | Actual statistics: Headquarters building and 4,071stores Estimated: 9 zones offices and 2,308 stores | Year | Non-recyclable waste weight (tons) | Data Scope of non-recyclable waste | Recyclable waste weight (tons) | 2020 | 53,793 | Actual statistics: Headquarters building and 925 stores Estimated valuation: 8 zones offices and 5,009 stores | 12,113 | 2021 | 56,156 | Actual statistics: Headquarters building and 1010 stores Estimated valuation: 9 zones offices and 5,369 stores | 13,270 | Compliant |
| Year | Scope 1 | Scope 2 | GHG emissions intensity (CO2 e /mn turnover) | Scope 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 30,910 | 472,365 | 4.15 | 193,802 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 31,253 | 464,933 | 2.95 | 185,911 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Non-recyclable waste weight (tons) | Data Scope of non-recyclable waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 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 | |
| | | | <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. In order to strengthen the management effectiveness of non-recyclable waste (excluding food waste) in stores, PCSC has set a management target of reducing the average waste generated by a single store by 1% from the base year in 2021 and 15% from the base year in 2025, with 2019 as the base year. Single-store waste generation of 7.4 metric tons in 2021, down 12.2% from the base year. In addition to PCSC's active implementation of various waste reduction measures, the amount of waste generated in the stores is much lower than previous years due to the suspension of business for 7 to 100 days in some stores in 2021 due to the epidemic. In the future, we will continue to track waste data and actively expand our stores to implement resource recovery, resource reuse and plastic reduction initiatives, and strengthen the management of non-recyclable waste in our stores.</p> | |
| 4. Social Topic | | | | |
| (1) Has PCSC established management policies and procedures in accordance with relevant laws and regulations and international human rights conventions? | V | | <p>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.</p> | 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 2021, the starting salary of college graduates that were hired as PCSC's back office staff was 1.47 times the statutory minimum wages, and 1.71 times for those with a master's degree.</p> <p>2. Workplace Diversity and Equality :</p> <p>As of December 31, 2021, PCSC's female employees account for 56.13% of all PCSC employees, while 52.74% of managers in revenue-generating functions are female, showing that PCSC values gender equality in the work environment and talent recruitment. 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 2021, the PCSC head office and directlyoperated stores hired a total of 241 employees with disabilities, accounting for 2.89% of our total workforce and being 2.89 times higher than the statutory quota. Besides employees with disabilities, PCSC also hired 127 indigenous employees, accounting for 1.52% of all employees.</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 |
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| | Yes | No | Brief Explanation | |
| 3. 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 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. (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. 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. | | | | |
| (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 2022 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. 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 six consecutive years through various safety and health management plans. In 2022, the number of employees' occupational injuries were 20 cases. The frequency-severity indicator was 0.21, lower than the retail industry's average rate of 0.42 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 2022. (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 314 people in 2021. For other human rights risk assessments and mitigation measures, please refer to the IR website: https://www.7-11.com.tw/company/ir/policy.html for downloading "PCSC Human Rights Due Diligence Procedure".</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 | |
| | | | <p>5. Protecting Employee Health, Workplace Epidemic Prevention Measures</p> <p>Employees are important assets of the Company, and keeping them healthy is one of the goals of PCSC to build a happy company. We hope that through Happy Cooperative's proactive care mechanism, health promotion activities, and maternal mother-friendly environment, we can help our employees maintain their health and achieve a sense of well-being. Since 2013, we have been promoting the "Health Management Program", employing professional nurses to provide health consultation and setting up a medical office in the headquarters building to provide health services such as blood pressure measurement and simple trauma treatment, as well as providing employees with exclusive "Health Passport". Starting in 2019, we established a "Healthy Exercise Life Circle" exclusively for employees through the app. In 2021, despite the impact of the epidemic, we have continued to encourage all employees to maintain their exercise habits; in addition, we regularly promote health education through e-newsletters and health seminars to encourage employees to manage their own health.</p> <p>6. Work-life balance assistance</p> <p>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. PCSC's maternity leave and miscarriage leave are better than the law and are fully paid regardless of seniority to provide better care for female employees. In addition, the back office staff can flexibly choose their commuting time, which is convenient for employees to allocate their time to achieve work-life balance. In addition, due to the impact of COVID-19 epidemic from 2020, PCSC has established the "Work from Home Implementation Plan" and the criteria for employees to work outside the office, so that back office employees can work remotely from home.</p> | |
| (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. In 2021, during the epidemic period, we continued to implement the operation of the talent development program and actively build a digital learning environment, with online digital learning as the main focus, to provide a more flexible and independent learning mode. Online courses were also arranged for new supervisors to help them learn how to help employees improve their abilities, plan their work well, and focus on their growth and learning. 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 |

| 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 | |
| (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 | | 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. | Compliant |
| (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 | | 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 2022, 114 spot checks were carried out on raw materials suppliers and they all passed. We also carried out 18 spot checks of suppliers and OEM factories that produce PCSC's own-brand products. All pass the 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. 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. | 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 | | 1. PCSC publishes Sustainability Report every year and discloses the reports of previous years on the Company website. The 2021 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). 2. 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. | 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. | | | | |

| 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 | | | |
| 7. Other important information for facilitating the understanding of Sustainable Development and its implementation: | | | | | |
| 1. | PCSC is committed to the safety of our products. In 2022, we invested NT\$135,643,000 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. | 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. | PCSC quality assurance laboratory has been certified by the TFDA for five testing areas (microorganism counts, coliform bacteria, E. coli, Salmonella, colorants) 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 2022, the quality assurance laboratory performed testing on over 1,008 raw materials and products to maintain strict control on the safety of food products. | | | | |
| 4. | 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, the 885APP online feedback platform is launched in 2022, so that franchisees can enjoy a smooth channel to quickly provide feedback on problems faced in the store. They can also receive real-time business dynamic information from the company through 885APP, creating a good interaction. In 2022, 885APP has assisted stores to solve 1,405 problem reports, achieving sustainable mutual benefits between franchisees and the company. | | | | |
| 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 2,910 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 Corporate Social Responsibility 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 | Wu, Wen-Chi | Finance and Accounting, Business administration, International Market Vision |
| Member | Wu, Hui-Chen | Enterprise Operation Management, Logistics Management, International Market Vision |
| Member | Lua, Wen-Ji | Sustainable Development Management, Risk and Information Security Management, International Market Vision |
| Member (Independent Directors) | Hsu, Ke-Wei | Law, Business Management, Business administration, International Market Vision |
| Member (Independent Directors) | Chen, Liang | Financial and Investment Management, Business administration, 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 | Wu, Wen-Chi | 2 | 0 | 100% | |
| Member | Wu, Hui-Chen | 2 | 0 | 100% | |
| Member | Lua, Wen-Ji | 2 | 0 | 100% | The term of new members started from June 1, 2022. |
| Member (Independent Directors) | Hsu, Ke-Wei | 2 | 0 | 100% | The term of new members started from August 3, 2021. |
| Member (Independent Directors) | Chen, Liang | 2 | 0 | 100% | The term of new members started from August 3, 2021. |
| Member (Independent Directors) | Hung, Yung-Chen | 2 | 0 | 100% | |

| Meeting Date | Topics Reported | Items Discussed |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 6/24 | <ul style="list-style-type: none"> • 2022 Name Change of PCSC Social Responsibility Committee and Revision of Related Governing Documents • DJSI Project Report • PCSC continues to be included in the DJSI-ESG integration promotion report | <ul style="list-style-type: none"> • The contents of the PCSC Social Responsibility Report 2021 |
| 12/13 | <ul style="list-style-type: none"> • PCSC 2022 Sustainability Project Results and Future Directions for Sustainability in 2023 • DJSI project result | <ul style="list-style-type: none"> • PCSC 2022 Sustainability Project Results and Future Directions for Sustainability |

On December 14, 2022, Sustainable Development Committee reports ESG, risk and information security progress results and plans to the Board of Directors.

| ESG Topic | Risk Type | Implementation of risk management |
|----------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental | Climate risks | <ol style="list-style-type: none"> 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. 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. 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. 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. 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. |
| Social | Occupational Safety | <ol style="list-style-type: none"> 1. PCSC Passed the "TAF ISO45001 Occupational Safety Management System International Certification" again in 2021. 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". 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%. |
| | 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> <ol style="list-style-type: none"> 1. Establishing the Merchandise Safety Committee and holding regular meetings to review contract manufacturers and supplier and implementation progress. 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. 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. |
| | 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> <ol style="list-style-type: none"> 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. 2. Hiring re-employed women, middle-aged and senior workers. 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. |
| Corporate Governance | Regulatory compliance | 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. |
| | Strengthen the functions of the board of directors | <ol style="list-style-type: none"> 1. Planning relevant training topics for directors, and providing directors with the latest regulations, system development and policies every year. 2. Insuring directors' liability insurance to protect against lawsuits or claims. |

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

| 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 | |
| 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 main thrust of legal compliance education training in 2022 included "Fair Trade Act", "Insider Trading", "Logistics Education Training", "Personal Data protection", "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 (Fair Trade Act and Competition Law in the Digital Economy), using online education, with 590 participants completing a total of 1,470 hours.</p> <p>(2).Logistics Education and Training:</p> <p> A. 7-ELEVEN brand use: 194 people; 194 hours.</p> <p> B. A training class on general legal knowledge: 201 people; 201 hours.</p> <p>(3).Personal data training courses: including personal data training for new employees, advanced personal training, and personal training for managers (external training by Institute for Information Industry), with a total of 71 participants completing 209 hours.</p> <p>(4).Information security awareness education: Continue to strengthen employees' information security crisis awareness and social engineering information security education, reduce the risk of leakage of personal and company important data, and comprehensively improve information security protection. 1,718 people completed the courses, with a total of 859 hours.</p> <p>(5).Education and training on prevention of insider trading: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. 1,028 people have completed the courses, totaling 514 hours.</p> <p>(6).The "Labor Law Seminar" series of online courses were completed by 71,662 participants, totaling 35,831 hours.</p> <p>3. 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> | 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. 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 | | 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. 2. In 2022, 1,917 messages were received through the stakeholder feedback section of the website. 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. | 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 |
| 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: 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 2022, it changed to written communication and promotion). | | | | |
| 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 established 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:

In order to manage the internal material information, the Company has set up procedures regarding the processing of material information and had been resolved by the Board of directors on November 3, 2022. In addition, 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) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched: Please refer to the Corporate Governance section of IR website at <https://www.7-11.com.tw/company/ir/policy.html>.**(10) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: Please refer to page 37 of this report.****(11) Status of internal control system implementation:**

1. Internal Control Declaration: Please refer to page 101 of this report.
2. If PCSC has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: N/A

(12) 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 73 of this report.**(13) 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 2022 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 May 26, 2022. The resolutions below were approved at the meeting:

(1) Approval of the financial report for 2021: Including business reports, financial statements, and distribution of profits.

Results: Resolution passed.

(2) Proposal on the distribution of 2021 profits: In 2021, the Company had distributable income amounting to NT\$7,495,803,123.

Results: Resolution passed and a cash dividend of NT\$7.21 per share was paid out on September 6, 2022.

(3) Proposal on the appropriation of the Company's legal reserve for fiscal 2021: In accordance with Article 241 of the Company Act, the Company appropriated NT\$1,860,923,837 from legal reserve and distributed it to shareholders in cash in accordance with the number of shares held by them.

Results: Resolution passed and a cash dividend of NT\$1.79 per share was distributed on September 6, 2022.

(4) Amendments to the Company's Articles of Incorporation: Cooperate with the revision of laws and regulations and meet the needs of practical operations.

Results: Resolution passed and registered by the Ministry of Economic Affairs on June 13, 2022 and announced on the Company's website.

(5) Amendment to the Company's Procedures for the Acquisition or Disposal of Assets: cooperate with the law amendment.

Results: Resolution passed and has been amended in accordance with the resolution of the shareholders' meeting.

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

Results: Resolution passed and has been amended in accordance with the resolution of the shareholders' meeting.

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 2022 earnings and dividend distribution proposal must still be approved by the 2023 Shareholders' Meeting. All other resolutions have completed execution.)

During the fiscal year 2022 and as of the date of the publication this report, nine Board Meetings were convened. Major resolutions approved at these meetings are summarized below:

(1) 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 2021 appropriation of the Company's legal reserve.
- Approved the proposed agenda of 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 to 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.

(2) The 6th meeting of the 13th Board (Date: May 5, 2022)

- Approved 2022 Q1 consolidated financial statement.
- 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 related parties.
- Approved the proposal to establish, change, and remove Company branches and stores in 2022.

(3) The 7th meeting of the 13th Board (Date: May 26, 2022)

- Approved the basis of allotment of the Company's 2021 earnings distribution and distribution of legal reserve and the cash dividend payment date.
- Approved the renewal of liability insurance for directors, supervisors and key employees of the Company and its subsidiaries.
- Approved the proposal of greenhouse gas inventory and verification schedule for the Company and the Group (including each subsidiary).
- Approved the bid for the sale of the H-base land in the priority industrial zone of the Taoyuan Aerotropolis project.
- Approved the proposal to establish, change, and remove Company branches and stores in 2022.
- Approved the termination of Vice President Hsu, Kwang-Yu's managerial appointment.
- Approved the appointment of ESG committee members
- Approved the personnel appointment case of the Company.
- Approved the personnel appointment case of the Company.
- Approved the personnel appointment case of the Company.

(4) The 8th meeting of the 13th Board (Date: June 8, 2022)

- Mr. Tsai, Cheng-Yu intends to purchase the Company's entire 19.5% equity interest in Presicarre Corp..
To date, the Company has no plans to dispose of its shares in Presicarre Corp.

(5) The 9th meeting of the 13th Board (Date: July 19, 2022)

- Approved the Company's proposed acquisition of a 10.50% equity interest in Presicarre Corp..

(6) The 10th meeting of the 13th Board (Date: August 4, 2022)

- Approved 2022 Q2 consolidated financial statement.
- Approved 2022 Financial Statement and Profit-seeking Enterprise Income Tax Auditing and Certification fee.
- Approved the acquisition or disposal of real estate assets from the Company's related parties.
- Approved the amendment to the "Risk Management Policy" of the Company.
- Approved the motion on the application for the renewal of credit limits and adjustments from financial institutions.
- Approved resolution to Remove Non-Competition Restrictions for PCSC Managers.
- Approved the proposal to establish, change, and remove Company branches and stores in 2022.
- Approved the lease of the Company's underlying assets.

- (7) The 11th meeting of the 13th Board (Date: November 3, 2022)
 - Approved 2022 Q3 consolidated financial statement.
 - Approved amendments to the Company's 2023 Internal Control System.
 - Approved the Company's 2023 audit plan.
 - Approved the change of the Company seal and the seal custodian registered with the Ministry of Economic Affairs.
 - Approved amendment to the Company's "procedures for processing material information".
 - Approved applications for the new credit limits from financial institutions.
 - Approved the cancellation of the eighth proposal of "Discussion Items" at the 10th meeting of the 13th Board of the Company.
 - Approved the leasing of the Company's underlying assets, and cooperated with Company affiliates to plan the leasing of shopping venues and updating structure.
 - Approved the Company's proposal to sign a labor contract.
 - Approved the acquisition or disposal of real estate assets from the Company's related parties.
 - Approved the bid for the sale of the H-base land in the priority industrial zone of the Taoyuan Aerotropolis project.
 - Approved the donation program for the 921 National Disaster Prevention Day.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2022.
- (8) The 12th meeting of the 13th Board (Date: December 14, 2022)
 - Approved the 2023 operations plan proposal.
 - Approved the proposal for Company 2023 donation plans.
 - Approved to donate full amount of the compensation paid to the Company by Ting Hsin to charity.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the organization of Risk and Information Security Management Office under our Sustainable Development Committee to adjust and establish relevant management policies.
 - Approved the proposal to dispose of real property and related right-of-use assets (lease term adjustment) from related parties.
 - Approved the project contract that the Company intends to sign with the related party.
 - Approved the Company's proposed investment in the construction of a shopping mall.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.
- (9) The 13th meeting of the 13th Board (Date: February 23, 2023)
 - Approved the dismissal of Chen, Jui-Tang as Special Assistant to the Chairman of the Board of Directors.
 - Approved the 2022 employee and director earnings distribution proposal.
 - Approved 2022 financial statements and consolidated financial statement.
 - Approved the Company's 2022 Internal Control System Statement.
 - Approved 2022 business reports.
 - Approved the 2022 earnings distribution proposal.
 - Approved the 2022 dividend distribution proposal.
 - Approved the proposed agenda of 2023 Shareholders' Meeting.
 - Approved the procedures regarding the "Notice of the right of shareholders to make proposals" for the 2023 Shareholders' Meeting.
 - Approved resolution regarding the removal of non-competition restrictions for PCSC directors.
 - Approved amendments to the PCSC Articles of Incorporation.
 - Approved the motion on the application for the new and renewal of credit limits from financial institutions.
 - Approved the PCSC CPA independence and appropriateness evaluation resolution.
 - Approved the acquisition or disposal of real estate assets from the Company's related parties.
 - Approved the proposal to establish, change, and remove Company branches and stores in 2023.

3. Major resolutions approved at Audit Committee:

During the fiscal year 2022 and as of the date of the publication this report, ten audit committee meetings were convened. Major resolutions approved at these meetings are summarized below:

- (1) The 4th meeting of the 4th Audit Committee (Date: February 23, 2022)
 - Approved 2021 financial statements and consolidated financial statement.
 - Presentation of the Company's 2021 Internal Control System Statement.
 - Approved amendments of the Company's Procedures for the Acquisition or Disposal of Assets.
 - Approved the acquisition or disposal of real estate assets from the Company's related parties.
 - Approved the Company's capital increase in Uni-President Oven Bakery Corp.
 - Approved the PCSC CPA Independence Evaluation Resolution.
- (2) The 5th meeting of the 4th Audit Committee (Date: February 24, 2022)
 - Approved the 2021 earnings distribution proposal and business reports.
- (3) The 6th meeting of the 4th Audit Committee (Date: May 4, 2022)
 - Approved 2022 Q1 consolidated financial statement.
 - Approved the proposal to dispose of real property and related right-of-use assets from PCSC's related parties.

- (4) The 7th meeting of the 4th Audit Committee (Date: May 18, 2022)
 - Approved the bid for the sale of the H-base land in the priority industrial zone of the Taoyuan Aerotropolis project.
- (5) The 8th meeting of the 4th Audit Committee (Date: July 19, 2022)
 - Approved the Company's proposed acquisition of a 10.50% equity interest in Presicarre Corp.
- (6) The 9th meeting of the 4th Audit Committee (Date: August 3, 2022)
 - Approved 2022 Q2 consolidated financial statement.
 - Approved 2022 Financial Statement and Profit-seeking Enterprise Income Tax Auditing and Certificationfee.
 - Approved the proposal to dispose of real property and related right-of-use assets from PCSC's related parties.
- (7) The 10th meeting of the 4th Audit Committee (Date: November 2, 2022)
 - Acknowledged the bid for the sale of the H-base land in the priority industrial zone of the Taoyuan Aerotropolis project.
 - Approved 2022 Q3 consolidated financial statement.
 - Approved amendments to the Company's 2023 Internal Control System.
 - Presentation of the Company's 2023 audit plan.
 - Approved the labor contracting agreement signed by the Company.
 - Approved the acquisition or disposal of real estate assets from the Company's related parties.
 - Approved the change of the Company seal and the seal custodian registered with the Ministry of Economic Affairs.
- (8) The 11th meeting of the 4th Audit Committee (Date: December 13, 2022)
 - Approved the project contract between the Company and the related party.
 - Approved the Company's investment in the construction of a shopping mall.
 - Approved the proposal to dispose of real property and related right-of-use assets (lease term adjustment) from related parties.
- (9) The 12th meeting of the 4th Audit Committee (Date: Feb 22, 2023)
 - Approved 2022 financial statements and consolidated financial statement.
 - Presentation of the Company's 2022 Internal Control System Statement.
 - Approved the PCSC CPA independence and appropriateness evaluation resolution.
 - Approved the provision of non-assurance services to the Company and its subsidiaries by certified public accountants, their firms, and firm affiliates.
 - Approved Acquisition of real estate assets from related parties.
- (10) The 13th meeting of the 4th Audit Committee (Date: Feb 22, 2023)
 - Approved the 2022 earnings distribution proposal and business reports.

4. Major resolutions approved at Remuneration Committee:

- (1) During the fiscal year 2022 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 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.
 - 2) The 2nd meeting of the 5th Remuneration Committee (Date: May 4, 2022)
 - Remuneration actually paid to Company directors and managers in 2021.
Results: Resolution passed.
 - 3) The 3rd meeting of the 5th Remuneration Committee (Date: February 22, 2023)
 - Resolution to the 2022 employee and director earnings distribution proposal and appropriation.
Results: Resolution passed.
- (2) There are no written or otherwise recorded resolutions on which a member of the Remuneration Committee had a dissenting opinion or qualified opinion.

(14) 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

(15) 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

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

31 December 2022

| Certificates | Number of employees who hold professional certificates |
|--------------------------------------------------------------|--------------------------------------------------------|
| Certified Internal Auditor (CIA) | 2 |
| Certified Information Systems Auditor (CISA) | 1 (Note) |
| ERP Application Engineer | 2 |
| Certified Public Accountant: | 2 |
| Certified Public Bookkeeper | 4 |
| Taiwan Internal Auditor | 1 |
| Technician for Accounting (Level C) | 8 |
| Enterprise Internal Control Basic Skills Examination | 17 |
| TPIPAS Personal Information Management Professional | 7 |
| TPIPAS Personal Information Internal Assessment Professional | 2 |
| 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 | 2022 Fiscal Year | 13,050 | 11,535 | 24,585 | Non-Audit Related Fees include CSR report, consulting service fees and tax compliance audit, etc. |
| | Lin, Se-Kai | 2022 Fiscal Year | | | | |

- If there is any change in the appointed in dependent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed: Not Applicable.
- Auditing expenses decreased by 10% in comparison to the previous year, information regarding the amount, percentage and reason for the decrease in auditing expenses shall be disclosed: Not Applicable.

(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 | CPA | | |
| | Appointment terminated automatically | Not applicable | | | |
| | Appointment rejected (discontinued) | | | | |
| 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 | | | |
| Explanation: NA | | | | | |
| Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards) | 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:

| Title | Name | 2022 | | 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, Shiow-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 | Hung, Yung-Chen | 0 | 0 | 0 | 0 |
| Independent Director | Hsu, Ke-Wei | 0 | 0 | 0 | 0 |
| Independent Director | Chen, Liang | 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, Johnyih | 0 | 0 | 0 | 0 |
| Vice President | Lin, Hung-Chun (Note) | 0 | 0 | 0 | 0 |
| Vice President | Kuo, Ching-Feng (Note) | 0 | 0 | 0 | 0 |
| Vice President | Lee, Tsung-Hsien (Note) | 0 | 0 | 0 | 0 |
| Vice President | Lu, Yung-Wei (Note) | 0 | 0 | 0 | 0 |
| Project Vice President | Hsieh, Kuan-Hung | 0 | 0 | 0 | 0 |
| Project Vice President | Hsu, Kwang-Yu (Note) | 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: Lin, Hung-Chun was dismissed in May 2022; Hsu, Kwang-Yu was dismissed in June 2022; Kuo, Ching-Feng, Lee, Tsung-Hsien, and Lu, Yung-Wei began their term in May 2022.

(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 2023

| 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 | 39,975,316 | 3.85% | — | — | — | — | None | None | — |
| PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank | 23,754,162 | 2.28% | — | — | — | — | None | None | — |
| Labor Pension Fund (New Scheme) | 21,769,500 | 2.09% | — | — | — | — | None | None | — |
| Fubon Life Insurance | 16,386,000 | 1.58% | — | — | — | — | None | None | — |
| Labor Insurance Fund | 14,224,000 | 1.37% | — | — | — | — | None | None | — |
| Chunghwa Post Co., Ltd | 13,594,000 | 1.31% | — | — | — | — | None | None | — |
| Norges Bank - internal - NBIM PF EQ INTERNAL | 10,073,912 | 0.97% | — | — | — | — | None | None | — |
| iShares MSCI Emerging Markets Min Vol Factor | 10,064,000 | 0.97% | — | — | — | — | None | None | — |
| Government of Singapore | 9,804,648 | 0.94% | — | — | — | — | None | None | — |

Note: Except Uni-President Enterprises Corp., the information for other shareholders and their shareholding percentages is as of 5 August 2022.

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

31 December 2022 / 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. | 40,591,436 | 100.00% | 0 | 0.00% | 40,591,436 | 100.00% |
| 21 Century Co., Ltd. | 10,000,000 | 100.00% | 0 | 0.00% | 10,000,000 | 100.00% |
| Uni-President Oven Bakery Corp. | 29,000,000 | 100.00% | 0 | 0.00% | 29,000,000 | 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. | 21,722,779 | 100.00% | 0 | 0.00% | 21,722,779 | 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 2023 / Units: NT\$; Shares

| Year/Month | Par Value | Authorized Capital | | Paid-in Capital | | Source of Capital | Remarks | |
|------------|-----------|--------------------|----------------|-----------------|----------------|-------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------|
| | | Shares | Amount | Shares | Amount | | 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, 2023 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 5 August 2022 / Unit: Shares

| Shareholder Quantity | Government Agencies | Financial Institutions | Other Juridical Persons | Individuals | Foreign Institutions and Individuals | Total |
|------------------------|---------------------|------------------------|-------------------------|-------------|--------------------------------------|---------------|
| Number of Shareholders | 0 | 0 | 245 | 37,838 | 996 | 39,079 |
| Shares Held | 0 | 0 | 674,158,971 | 47,986,602 | 317,476,682 | 1,039,622,255 |
| Holding Percentage | 0.00% | 0.00% | 64.85% | 4.62% | 30.54% | 100.00% |

(3) Distribution of shareholders:

As of 5 August 2022 / Par value NT\$10

| Tiers of Shareholding | Number of Shareholders | Total Shares Held | Holding Percentage |
|-----------------------|------------------------|-------------------|--------------------|
| 1 to 999 | 23,002 | 3,463,113 | 0.33% |
| 1,000 to 5,000 | 13,778 | 23,699,568 | 2.28% |
| 5,001 to 10,000 | 952 | 7,026,326 | 0.68% |
| 10,001 to 15,000 | 292 | 3,632,984 | 0.35% |
| 15,001 to 20,000 | 154 | 2,755,495 | 0.27% |
| 20,001 to 30,000 | 167 | 4,149,357 | 0.40% |
| 30,001 to 40,000 | 87 | 3,101,401 | 0.30% |
| 40,001 to 50,000 | 56 | 2,516,828 | 0.24% |
| 50,001 to 100,000 | 176 | 13,156,507 | 1.27% |
| 100,001 to 200,000 | 121 | 17,741,291 | 1.71% |
| 200,001 to 400,000 | 100 | 29,058,641 | 2.80% |
| 400,001 to 600,000 | 44 | 22,053,898 | 2.12% |
| 600,001 to 800,000 | 32 | 22,644,850 | 2.18% |
| 800,001 to 1,000,000 | 22 | 20,007,074 | 1.92% |
| 1,000,001 and above | 96 | 864,614,922 | 83.17% |
| Total | 39,079 | 1,039,622,255 | 100.00% |

(4) Major shareholders:

As of 5 August 202

| Shareholders | Shares | Number of Shares Held | Holding Percentage |
|-------------------------------------------------------------------------------------|--------|-----------------------|--------------------|
| Uni-President Enterprises Corp. | | 471,996,430 | 45.40% |
| Cathay Life Insurance | | 39,975,316 | 3.85% |
| PCSC Employees Benefits Trust account in the custody of China Trust Commercial Bank | | 23,754,162 | 2.28% |
| Labor Pension Fund (New Scheme) | | 21,769,500 | 2.09% |
| Fubon Life Insurance | | 16,386,000 | 1.58% |
| Labor Insurance Fund | | 14,224,000 | 1.37% |
| Chunghwa Post Co., Ltd. | | 13,594,000 | 1.31% |
| Norges Bank - internal - NBIM PF EQ INTERNAL | | 10,073,912 | 0.97% |
| iShares MSCI Emerging Markets Min Vol Factor | | 10,064,000 | 0.97% |
| Government of Singapore | | 9,804,648 | 0.94% |

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

Unit: NT\$

| Item | Year | 2021 | 2022 | As of 28 February 2023 |
|---------------------------------|--------------------------------------------|---------------|----------------|------------------------|
| Market Price per Share (Note 1) | Highest | 294.00 | 299.00 | 295.00 |
| | Lowest | 253.50 | 258.00 | 267.00 |
| | Average | 273.88 | 270.27 | 271.06 |
| Net Value per Share | Before Distribution | 32.86 | 35.07 | — |
| | After Distribution | 23.86 | 26.07 (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) | 8.52 | 8.93 | — |
| Dividend per Share | Cash Dividends | 9.00 | 9.00 (Note 5) | — |
| | Stock Dividends | — | — | — |
| | Accumulated Undistributed Dividends | — | — | — |
| Return on Investment | Price/Earning Ratio (Note 2) | 32.16 | 30.32 | — |
| | Price/Dividend Ratio (Note 3) | 30.44 | 30.09 (Note 5) | — |
| | Cash Dividend Yield Rate (Note 4) | 3.29% | 3.32% (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 2022 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 2022 profit approved by the Board of Directors will be submitted to the 2023 Annual Shareholders' Meeting for approval. The proposal approved by the Board of Directors on February 23, 2023 is as follows: allocating NT\$9,356,600,295 from the 2022 distributable earnings 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 2022:

(1) The Board proposed allocating the amount of NT\$497,571,358 as employee compensation and the amount of NT\$166,236,655 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 | \$ 497,571 |
| Director Remuneration | \$ 166,237 |

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

PCSC's distributable earnings in 2021 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 | \$ 455,764 |
| Director Remuneration | \$ 152,269 |

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 2021 financial statement, employee compensation totaled NT\$455,764,447, while remuneration for directors totaled NT\$152,269,129. 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, 2022: None

(2) Status of implementation:

Analysis of the purpose of each capital investment project as of December 31, 2022 and comparison of implementation with the originally anticipated benefits: None

5 Operating Highlights

1. Business activities

(1) Business scope

1. PCSC's Key Operations

- (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

- (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 | | | |
|-----------------------------|--------------------------------------------------------|---------|-------------|---------|
| | 2021 | | 2022 | |
| | Revenue | % | Revenue | % |
| Convenience stores | 166,789,975 | 63.48% | 181,203,989 | 62.39% |
| Retail Business | 73,116,782 | 27.83% | 83,748,360 | 28.84% |
| Logistics Business | 2,114,514 | 0.81% | 2,265,001 | 0.78% |
| Other Business Divisions | 20,714,193 | 7.88% | 23,216,787 | 7.99% |
| Total Consolidated Revenues | 262,735,464 | 100.00% | 290,434,137 | 100.00% |

3. Present and future products and services

- Member accumulated points/payment: In 2022, the cumulative number of OPEN POINT members has exceeded 15 million, continuing to create milestone records. Members can use three major payment tools such as icash 2.0, icash Pay, and OPEN Wallet can be used in tens of thousands of locations as cash purchases, exchanging products, special offers, and donating to charitable organizations with one account and one APP. OPEN POINT APP launched money change, a new function which provides three major functions, including deposit, money transfer, and payment, as well as the deposit services of bring-your-own-cup reward money change and gift card money change. In addition, money from winning receipts can also be deposited to meet the demand for reducing contact while paying. In addition, OPEN POINT points are the first one launching function to discount water, electricity, parking bills, making OPEN POINT points more convenient to use. In the future, it will continue to expand the scope of OPEN POINT, increase cooperation channels at home and abroad, and provide consumers with a more convenient shopping experience.
- O2O: Products that can be used with “Mobile pickup” continued to increase in product structure, and the mobile pickup subscription system was launched “one person ordering for multiple users”, which is ideal for increasing the frequency of store visits. With its diversified online marketing strategies and point feedback, iPre-order breaks the limitations of product display and purchasing time, demonstrating the advantages of online and offline integration. The group-buying platform iGroup-Buying offers discounted group-buying prices for popular products, attracting millions of members. OPEN NOW, the first delivery portal in the retail industry, provides one-stop access to the services of three major delivery platforms. 7-ELEVEN has extended its products and services to all corners of the market to meet the diverse needs of consumers.
- Stores:
 - (1) In 2022, 7-ELEVEN Taiwan aggressively expanded its stores and the number of stores now exceeds 6,600. PCSC's 7-ELEVEN stores in four Asian regions (Taiwan, Shanghai, Zhejiang, and the Philippines) exceeds 10,000 stores.
 - (2) In response to different business districts and lifestyles, we continued to launch various lifestyle modules, such as Semeur lifestyle stores, vegetarian product lifestyle stores, and OPEN! MART, to meet the diverse needs of consumers. Through themed co-branded stores, we combine the most popular portraits of the moment, such as Pirate King, Dragon Ball, and Capoo, to drive the benefits of individual stores and meet the diverse needs of consumers for experience, fun, education, and exploration.
 - (3) We opened our 6th X-Store (X-STORE 6). It introduces AR (Augmented Reality) and VR (Virtual Reality) shopping functions to provide consumers with a “metaverse shopping experience”. The store also combines six technologies: image recognition, face recognition, RFID smart tags, cell phone self-checkout, AR augmented reality, and VR virtual store to provide consumers with self-checkout services. It also connects to the three major payment tools in the OPEN POINT ecosystem, allowing consumers to make payments, accumulate points, and save invoices with one click.
- Products and services:
 - (1) Fresh foods: 7-ELEVEN continues to play the role of a community kitchen, providing high quality fresh food products with a stable supply chain. Employing the strategy “buy near, eat safe” to capitalize on business opportunities and trends of home cooking, the fresh food brand “Star Rated Cuisine” is pushing the boundaries, continuously improve the value and experience of fresh food products. In response to the trends of health and environmental protection, we continued to expand our own vegetarian product brand, actively negotiating with chefs of famous green restaurant brands to develop meals and continue to develop vegetarian dishes tailored to the tastes of local consumers.
 - (2) Coffee: We actively cultivated the boutique coffee market and established a second growth curve by launching boutique coffee brands CITY PRIMA and “!+? CAFE RESERVE”. CITY PRIMA has expanded to over 5,700 stores, making it the largest boutique coffee chain brand in Taiwan. We also capitalized on the digital trend using a mobile pickup function that allows members to buy coffee now and pick it up later, a subscription system, and precision marketing to boost redemption rates and cultivate member loyalty. We continued to introduce coffee intelligent vending machines, delivery and other out-of-store services to generate additional sales.
 - (3) E-Service: Leveraging the advantages of our dense store and comprehensive logistics network, we have established a unique global store delivery and pickup service, enhanced our self-operated platforms delivery service and sales service. We also expanded our multi-delivery services to include quick collection, international delivery, and cold chain store pickup services, and enhanced our secure pickup service. In our quest to continually exceed customer expectations, customers can now seek help through the secure pickup service if they suspect a fraudulent parcel.

(2) General economic and industry overview

1. General economic analysis

According to the International Monetary Fund, due to the impact of the epidemic and inflation, the global economic growth rate declined to 3.2% in 2022. Taiwan's economic growth in the fourth quarter of 2022 dropped from 1.52% to -0.86%, ending 26 quarters of positive growth and the largest negative growth since the financial crisis of 2008. Total economic growth for the year also fell to 2.43%.

Impacted by international oil and raw material price increases, the industry reflected ingredients and raised prices as the epidemic subsided, resulting in an annual increase in the Consumer Price Index of 2.95%, a record high in the past 14 years, including an annual increase of 5.66% in the food category, mainly due to a 26.39% increase in egg prices due to avian influenza, plus an increase of 10.4% in fruit, processed vegetables (up 7.92%), cooking oil (up 6.62%), aquatic products (up 6.31%), and meat (up 5.7%). In addition, 2022 Wholesale Price Index increased by 12.43%, the highest rate of growth in 42 years.

2. Industry overview

Retail sales in 2022 stood at \$4.2815 trillion, an increase of 7.4% over 2021. In 2022, turnover in general merchandise retailing was NT\$1.4042 trillion, up 7.8% from 2021. As the pandemic slowed, department store turnover totaled NT\$394.6 billion, up 15.2%, followed by convenience store with NT\$382.1 billion, up 5.7%, supermarket turnover with NT\$254.8 billion, up 2.7%, and hypermarket turnover with NT\$249.1 billion, up 2.1%. In the future, PCSC will continue to evolve by providing more differentiated products, collaborating with affiliated companies to launch life service centers to satisfy consumers in the community and will actively lay out digital platforms to demonstrate the advantages of online and offline integration, to meet consumer demand in real time, and to build a life service platform that consumers can rely on.

Through the end of 2022, key players in the convenience store industry had the below numbers of stores:

| | 7-ELEVEN | FamilyMart | Hi-Life | OK | Total |
|---------------|----------|------------|---------|-----|--------|
| No. of Stores | 6,631 | 4,138 | 1,509 | 767 | 13,045 |

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 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

We took the epidemic very seriously. In addition to providing stores with sufficient epidemic prevention supplies to create a safe shopping and work environment, we also make good use of digital tools to enhance store operation efficiency, and assist stores to operate outside of stores through iGroup-buying, OPEN Now, and intelligent coffee machines to improve franchisee sales and profitability. We also continued to innovate and integrate to strengthen our brand management and capitalize on market trends and opportunities, while strengthening the product structure of our stores to meet consumer needs through our quality lifestyle stores and combo stores.

(1) Product development trends

- Digital management: In response to the trend for no-contact business opportunities driven by the epidemic, we continued to strengthen digital management and provided stores with digital tools to manage sales, such as mobile pickup service and iGroup-Buying, to overcome the restrictions of space and time and allow consumers to purchase at any time, thus enhancing store management efficiency.
- Member Economy: We continued to optimize the OPEN POINT membership and OPEN POINT points mechanism to expand the use of points channels. Members only need one account and one app to access nearly 20 channels and tens of thousands of locations to directly credit points for cash purchases, redeem goods, additional purchase, and donate to charitable organizations. We are the leading retailer to promote the point discount collection program to create a diversified life service experience.

- Mobile pay: In order to provide a more time-saving, convenient, and diversified mobile payment experience for members, we have actively promoted the OPEN POINT APP to bundle multiple mobile payments to enable customers to pay, count, and deposit invoices in one transaction during checkout. The service has attracted over 100 million users.
- E-service Capitalizing on the growth trend of small online sellers, we launched a quick collection service to provide in-home collection service for customers with large volumes of shipping needs, enhancing convenience and reducing store operations. The international delivery service was developed to meet the trend of international logistics and to integrate with cross-border convenience store pickup services. To meet the demand of consumers to pick up frozen goods purchased online close to their homes, we have introduced frozen store pickup service and will continue to expand our product range to meet future consumer trends. We will also enhance our secure pickup service, so customers seek help if they suspect a fraudulent parcel, thereby creating a life service platform that exceeds customer expectations.
- Channel differentiated products: In response to restrictions on foreign travel due to the pandemic we continued to introduce foreign products through international procurement to enhance our product structure and brand positioning, develop and introduce exclusive products through strategic alliances with major overseas and domestic manufacturers, and create more differentiated product structures and uniqueness from a customer perspective by appealing to value, style, and design.
- Business area differentiation: We provided different types of products based on the characteristics of the business area. For example, for places where the demand for pet products has grown significantly, we offered the OPEN PET'S Lifestyle Area. For areas with high concentrations of students and office workers, we introduced the "Fashion Zone", focusing on "OPEN! PLAZA", stationery, clothing, and accessories to meet the needs of various consumer groups.
- Epidemic prevention business opportunities: Under the coexisting with the epidemic in 2022, in addition to providing sufficient anti-epidemic supplies for the store, a new type of composite selection store OPEN iMARKET is launched to meet the needs of the customer such as office workers and small families to purchase high-quality fresh ingredients and frozen products nearby; in addition, working remotely had become the new normal in post pandemic period, the first "multi-functional paid business private room" is created with three main strategies "low contact", "high privacy" and "maintaining social distance", creating personalized boxes and independent spaces for 2-4 people in the store to meet the needs of private space and independent office needs of office workers.

(2) product competitiveness

In response to the increasing blurring of retail lines, 7-ELEVEN has been extending the shelf space of its stores with iPre-order and iGroup-Buying, which allows stores to operate online and offline simultaneously, creating an integrated virtual and real business model and expanding the operational efficiency of single stores. Moreover, due to demographic and lifestyle changes, such as an aging population, childlessness, singleness, and marrying later, the takeaway market has continued to grow. In the face of many competitors, 7-ELEVEN has integrated its delivery platform, allowing its stores to operate out of its stores and redistributing business opportunities in the takeaway market.

- Dining-out and food delivery business opportunities: In response to consumer trends, we have continued to expand our frozen products to make it easier for consumers to reheat them. We have also expanded our frozen display space and continued to develop a wide variety of safe and delicious ingredients and dishes to provide a quick and convenient choice for take-out customers. In addition, we have continued to consolidate our delivery platform operations to increase sales opportunities and extend our services, so that our stores can operate outside of the store and provide consumers with a quicker and more convenient choice for peace of mind.
- Meal Business Opportunities: 7-ELEVEN cooperates with star-rated hotels and restaurants to introduce fresh food cuisine from famous restaurants and set up a Star Rated Cuisine area to provide consumers with the opportunity to purchase star-rated cuisine in their neighborhood. We have continued to expand the product mix of vegetarian and vegetables to meet the needs of consumers for daily meals.
- Fresh Food Equipment Optimization: In our continued quest to provide consumers with a better service experience, we are committed to creating safe and delicious fresh food products. To that end, we have invested tens of millions of NTD to develop advanced fresh food equipment and change the way we display our products. In addition, we have introduced the automatic hot press toast machines to meet the needs of single stores, which can now make delicious panini in 3 minutes, saving staff time and energy, while meeting customer needs for new food products. We also introduced Japanese donburi production technology to optimize the process of rice dish production, and enhance the taste of our products.
- Pet Business Opportunity: Since more and more people are remaining single and having fewer children, pets are becoming more popular. To capitalize on this trend, we have set up pet areas in stores based on the needs in the business district, focusing on the four major product types, including supplies, snacks, canned goods, and dry food.

(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 anytime pickup: We have continued to improve our product structure, allowing consumers to purchase coffee, fresh food, and beverages through mobile anytime pickup and optimizing the consumer experience. In addition, we have introduced services such as subscription system to meet different consumer needs and become an indispensable platform for consumers' daily meals and life.
2. iPre-order: We are leveraging the Group's resources to strengthen our product structure and continue to optimize our platform system, so that the purchase process can better match consumer habits, enhance consumer experience and meet consumer needs.
3. iGroup-Buying: By connecting with iPre-order to strengthen the product structure, optimize the operation interface and process, and provide the tools for stores to operate group purchases, we can strengthen the single-store operation and improve store sales and profitability.
4. Future convenience store X-STORE 6: By combining AR and VR, the Company has created a one-stop experience of a dual-application metaverse life service platform and launched an exclusive app to provide consumers with a diverse online and offline shopping experience.
5. Self-checkout machines: Our innovative self-checkout machines reduce customers' queuing time and labor hours by providing an alternate checkout option and reducing pressure on store partners during peak traffic times.
6. Multipurpose private booths: We have expanded the private room model to provide customers with an independent space free of disruptions for office, study and leisure use, integrating space and helping single stores to improve their operating efficiency.
7. Intelligent bento vending machines: In response to the high flow of people and limited time to eat during peak meal times in technology manufacturing areas, we introduced smart lunchboxes in our stores to reduce the waiting time of the employees and to offer more meal choices.
8. X POS: It took 4 years and nearly NTD 1.1 billion in research and development of connection of ibon ticketing system, ibon kiosk services, digital mobile pick-up services, iPre-order, iGroup-Buying, OPEN NOW, intelligent vending machine...etc. System can be freely switched from staff checkout mode to self-checkout mode to meet the needs of future consumer trends.
9. In 2022, a total of NT\$152,239,000 was spent on R&D of these system.

(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 2022, PCSC held a 50.83% 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, healthy and vegetarian 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.
- Inflation and regional conflicts caused global economic instability.
- Personnel expenses continued to rise and overall operating costs increased.
- With the trend of fewer children, companies continued to expand and face pressure to recruit human resources.

(3) Strategic responses:

In the face of the uncertainty caused by the epidemic and the rapidly changing consumer market and emerging consumer trends, we have continued to develop product structures and services that meet consumers' lifestyle needs. Integrating group resources, we established a PCSC Diverse Lifestyle Center in our quest to become a local community service center. In terms of fresh food management, we have combined with well-known stores and restaurants to enhance the flavor of our products, and through strict food safety control, we provide safe, delicious, and diverse fresh food products. In regards to digitization, we have continued to enhance the OPEN POINT member ecosystem and expand the access and functions of points to make them increasingly convenient. In addition, we are making good use of iPre-order, iGroup-Buying, and coffee intelligent vending machines to help stores operate outside of the store and improve the quality and efficiency of single-store operations, while continuing to develop boutique coffee to meet the needs of different consumers. In the future, we will continue to innovate, refine, and integrate to provide services and products that exceed consumer expectations, utilize brand management, and continue to become a life service platform for consumers.

(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 | 2021 | 2022 |
|-----------------------------|----------------|----------------|
| | Domestic Sales | Domestic Sales |
| Convenience Stores | 166,789,975 | 181,203,989 |
| Retail Business | 73,116,782 | 83,748,360 |
| Logistics Business | 2,114,514 | 2,265,001 |
| Other Business Divisions | 20,714,193 | 23,216,787 |
| Total Consolidated Revenues | 262,735,464 | 290,434,137 |

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

3. Human Resources:

| Year | 2021 | 2022 | As of February 28, 2023 |
|---------------------------------------|-----------------------------|----------------|-------------------------|
| No. of Employees | Store Employees | 17,133 | 18,528 |
| | Management | 7,348 | 7,833 |
| | Part-Time | 13,930 | 15,246 |
| | Total | 38,411 | 41,607 |
| Average Age | | 34.2-years old | 33.9-years old |
| Average Years of Service | | 6.9 years | 6.6 years |
| Education Level (as a % of the total) | PhD | 0.01% | 0.02% |
| | Masters Degree | 4.25% | 4.04% |
| | Bachelors Degree | 57.61% | 59.32% |
| | High School | 35.69% | 34.39% |
| | Junior High School or Below | 2.43% | 2.24% |

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 2022 reached NT\$ 1.19 billion, accounting for 9.43% of the total annual procurement and exceeded the original annual procurement target.

Unit: NT\$1000

| Green Procurement Category | | Item | Amount |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------|
| Energy Star | Meets Energy Star product energy efficiency requirements | LCD screens, laser printers | 156,643 |
| FSC Forest Stewardship Council Certification | The entire wood product manufacturing process meets FSC sustainability requirements | ORUS publications, mixing sticks, and bento disposable chopsticks (100 units) | 45,433 |
| Carbon labeling | Shows greenhouse gas emissions over the life of the product | Paper star printer paper | 5,424 |
| RoHS | Complies with EU regulations on the use of harmful substances in electrical and electronic products | Uninterrupted power systems, coffee machines, ST, Switch, WAP, POS cash registers/back office computers | 440,208 |
| Energy Saving Label | 1. Air conditioner performance label - Air-conditioning Seasonal Performance Factor (CSPF) Class I 2. Energy Conservation Label, Bureau of Energy, Ministry of Economic Affairs | Inverter air conditioners, circulating fans, LED lights | 318,340 |
| Green Building Material Label | Received the Green Building Materials Label from the Taiwan Construction Center or adopted a patented environmental protection method. | Green building materials | 92,135 |
| Actual environmental benefits | Plastic alternatives | Eco-friendly packaging material PLA-coffee cups, ice cream cups/Slushie cups, PLA straws, paper straws | 41,666 |
| | Customized equipment tested by 7-ELEVEN convenience stores to determine actual power savings | Power saving devices | 90,406 |
| Total amount of green procurement | | | 1,190,255 |

- (2) In 2022 and up to the printing of this annual report, there is no fine or loss due to environmental pollution.
- (3) In 2022 and up to the printing of this annual report, competent authorities fined some stores NT\$52,000 for violating Tobacco Hazards Prevention Act and Road Traffic Management and Penalty Act. 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) PCSC provides a variety of benefits, including health checkup subsidies, employee benefit trusts, club subsidies, library centers, shopping discounts, wedding and funeral subsidies, paid paternity leave, employee and dependent insurance privileges, employee travel, and employee benefit committee privileges and subsidies. In addition, in order to take care of employees and assist their families, we have set up nursing rooms in our office and contracted with childcare providers to provide preferential rates to reduce the burden of childcare for employees.

(3) In order to help employees manage the stresses of work, life, and health effectively and maintain good physical and mental health and interpersonal relationships, we hold annual employee relationship promotion activities, such as Mother's Day videos, Thanksgiving activities, and Christmas gift exchanges, which not only relieve the physical and mental stress of our partners, but also enhance relationships between the organization and employees. In addition, starting in 2009, we commissioned the Teacher Chang Foundation to provide professional counseling services to our employees, offering them three hours of free counseling each year.

(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 2022, the program assisted employees in a total of 3,775 cases and 2,910 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.
- 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 members 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. 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:

In 2021, the TAF ISO45001 Occupational Safety and Health Management System received recertification and is valid until 2025/1/2. Implementation of safety and health self-management operations:

- (1) Safety and health organization: The Labor Safety Office holds quarterly occupational safety and health committees, conducts annual management review meetings, and promotes contractor safety agreement organization meetings.
- (2) Safety and health education and training: We promote safety and health education and training for employees, and conduct online courses on occupational safety, such as "Safety in Daily Life" and "Earthquake Disaster Prevention", to reinforce prevention of hazards in employees' daily lives in conjunction with workplace safety.
 - License training (Level C/First Aid): 2,792 individuals engaged.
 - Safety in Daily Life: 6,664 individuals completed course.
 - Earthquake disaster prevention: 8,005 individuals completed course.
 - Building escape drills: 596 individuals completed course.
- (3) Risk assessment and safety audits:
 - Contractor management: In August 2022, a meeting was held to organize the agreement with contractors (decoration, plumbing and electrical, signage, and comprehensive warranty) nationwide, and 87 contractors participated.
 - Risk hazard identification: A total of 195 workplace audits were conducted during the year and 315 defects were improved, with a 100% improvement rate and 27 zero defects.
 - Guiding fresh food suppliers: We implemented supply chain management, guided 6 fresh food suppliers to set up occupational safety system, encouraged 7 to implement ISO45001 certification, and conducted 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) To ensure safety at the Company's large-scale events through the safety control process and to achieve the goal of zero public security accidents, in 2022, we managed 2 events with 110,000 spectators in attendance, 0 fines and 0 major disasters.
- (5) Medical care: Each employee is covered by group accident insurance, life insurance, medical insurance, and health check-up subsidies from the date of employment. In addition, we employ professional nurses and cooperate with doctors that specialize in workplace health issues to provide health consultation services. Health promotion activities include an exclusive Healthy Life Circle app for employees and regular e-newsletters, online videos and other health education and promotion to encourage employees to do a good job at self-health management.
- (6) Promoting employee health exams: Strengthen personal health management and illnesses prevention through regular health checks.
 - Senior employee in-depth health exams: We provide subsidies starting at NT\$16,000 every two years for senior employees with 5 years of experience and at least 35 years of age. 2,356 individuals were examined in 2022.
 - Annual health exams: We provide employees and food industry workers with annual health exams. 5,859 individuals were examined in 2022 with an 85% participation rate.
- (7) Implementing employee health management: We have physicians and nurse practitioners who proactively provide personal health care and counseling to employees.
 - Physicians: Physician health services were introduced in 2013. In 2022, a total of 414 hours of physician services and 489 one-on-one health services were provided, with a staff satisfaction rating of 4.92.
 - Nurses: We provide four nurses to look after the health of employees. In 2022, the nurses provided 167 treatments. In addition, we have established a comprehensive health management mechanism to promote health classification management for employees with abnormal health checkups, and 100% intervention management, abnormal treatment tracking and case tracking management for employees with very significant risks.
- (8) We promoted the prevention of occupational diseases and health protection for special populations: The four major occupational safety protection programs include maternal health protection for female workers, prevention of human-caused hazards, prevention of workplace violence, and prevention of overwork. 92 people completed the programs in 2022.
- (9) Workplace emergency care: AEDs have been installed in offices based on the size of the workplace and the number of employees. In 2022, the Company again received Safe Workplace, a three-year certification from the Health Promotion Administration.

(10) Health promotion activity implementation: We encouraged employees to manage their own health and promote their health through group activities.

- Health promotion activities: Through the APP, we have established an exclusive Healthy Exercise Life Circle for our employees to encourage them to maintain good exercise habits. In 2022, we promoted four waves of sports activities (one month each), including: Walk to Reduce Carbon and Love the Earth, Health Monopoly, Mid-Autumn Mooncakes, and Desert Oasis. In addition, a total of 6,022 people participated in measurement activities, and a total of 49 million calories or 6,363 kg of calories were burned off during the year.
- COVID vaccinations: Back office employees had 98.8% coverage rate for the first dose, 98.5% for the second dose, 94.9% for the third dose, and 11% for the fourth dose, and were encouraged to receive the vaccine to protect their own health and that of their families.
- Vaccinations: 100 people received influenza vaccinations in the workplace and 45 people received pneumococcal vaccinations.

(11) Health certification and healthy workplace competitions:

- Received the Outstanding Healthy Workplace Award in 2022 from the Ministry of Health and Welfare's Health Promotion Administration. Certification is for three years.

(2) Training and development

1. PCSC's training statistics for 2022 are as follows:

| Internal Training | | | External Training | | | Online Training | | | Total | | |
|--------------------|-------------------|--------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| 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 |
| 17,836 | 59,577 | NT\$13.279 million | 490 | 4,475 | NT\$1.277 million | 206,822 | 47,739 | NT\$2.632 million | 225,148 | 111,791 | NT\$17.188 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 month 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) Cybersecurity risk management framework
 - 1) Cybersecurity governance organization

In order to meet its cybersecurity governance needs and practical operations, the Company established the cybersecurity committee under the Sustainable Development Committee in 2022, with senior management team as members, to coordinate the management of cybersecurity risks, formulate information security risk management policies and promote the strengthening of information security management, and regularly report the implementation progress to the Sustainable Development Committee.



Figure 1. Cybersecurity governance organization framework

2) Cybersecurity organization framework

The cybersecurity committee assigned a special unit for information security, provided resources for information security project implementation, and reviewed the results of the information security project. The special unit for information security assisted the committee in monitoring information security threats, evaluating and verifying emerging information security technologies, and regularly reported to the Sustainable Development Committee on information security governance issues, directions, and the effectiveness of information security governance:

- (1) Information security implementation team: Responsible for managing, assigning management and working teams to promote cybersecurity related projects, and coordinating the implementation results and reporting to the cybersecurity committee for review.
- (2) Emergency response team: In the event of a major cybersecurity incident, the emergency response team assigns personnel from relevant units to form an emergency response team based on the impact on Company operations and which is responsible for contacting and convening members of the emergency response team to be responsible for various emergency response operations and coordinating the deployment of resources.
- (3) Audit team: The audit team is appointed by the Information Security Executive Team or the Audit Office to coordinate and assign the internal audit of the information security management system.

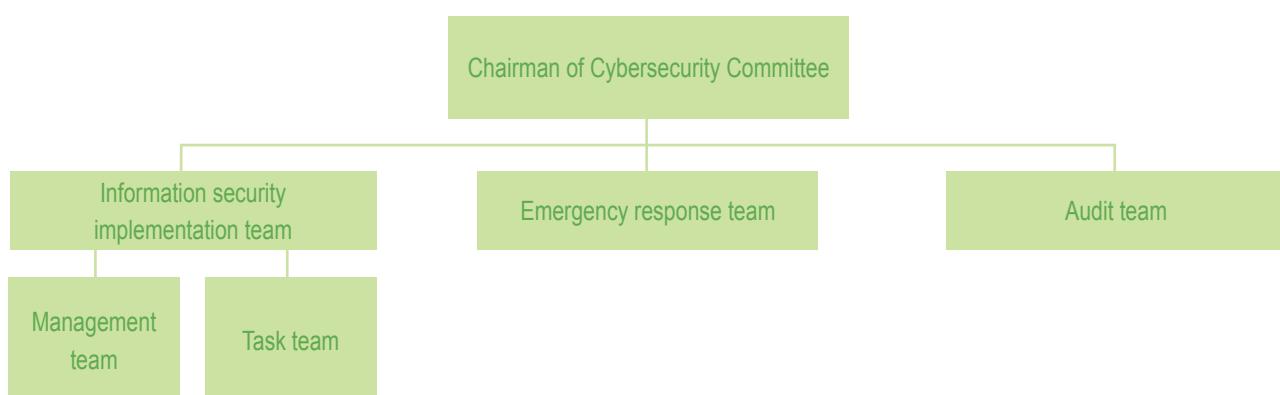


Figure 2. Cybersecurity committee organizational chart

3) Information security risk management mechanism

The Company established the Information Asset and Risk Assessment Management Standard to address cybersecurity risks and establish risk assessment criteria for information and communication systems and services, and conduct risk management based on the value of the information and communication systems to the Company's operations, the degree of vulnerability of the information and communication systems, and the types of threats, impact levels, and occurrence rates. We use vulnerability scanning, penetration testing, and red team exercises to conduct data security strength audits of information communication systems and services. Through the process of risk management and continuous improvement, we will reduce the threat of hacking groups and human negligence, and establish sensitive data protection in compliance with laws and regulations, and an information security environment that protects the personal data of consumers and the confidential data of business operations.

The Company is negotiating with domestic and foreign insurance companies for information security insurance to provide risk transfer protection and mitigate losses in the event of a major information security incident. President Information Corp., which is responsible for the maintenance of information and communication systems and services, has expanded the scope of information protection insurance and professional liability insurance to include both the Company and President Information Corp. as insured under the information specialist insurance policy, and has increased coverage by more than 50% over the previous year.

4) Emergency notification and response procedures for information security incidents

We have established relevant regulations for contingency measures for major information security incidents to serve as a basis for the cybersecurity committee committee's emergency response team in the event of an information security incident. Furthermore, practical rehearsals are conducted to familiarize responsible colleagues with the notification and handling procedures. In order to enhance employee crisis awareness of information security risks, regular training on information security risk awareness is held to implement the effectiveness of cybersecurity management measures.

(2) Cybersecurity policies

The Company has established a cybersecurity policy that complies with laws and regulations and clearly declares its support for cybersecurity objectives, so that all Company employees can follow it and reduce the impact of any information security incidents. The Company will continue to operate and improve its cybersecurity management system to protect the interests of the Company and consumers.

Using ISO/IEC 27001 as the framework for cybersecurity management, we completed the third-party certification in December 2022 and obtained the ISO/IEC 27001 international information security management system certification. Following the Plan-Do-Check-Act (PDCA) cycle, we identify cybersecurity risks, conduct risk assessment, set acceptable risk levels, implement risk control, manage residual risks, repeat the risk control cycle and take short-term compensatory measures, supplemented by long-term continuous tracking for improvement, until risks are reduced to acceptable levels. Through risk management planning and implementation, we ensure the confidentiality, integrity, and availability of information assets, review and evaluate the planning results, establish and implement appropriate control and monitoring mechanisms, evaluate and audit their effectiveness, implement corrective measures based on the results and recommendations of the monitoring and audit, and improve and implement appropriate control mechanisms in order to maintain the operation of the information security management system.

(3) Specific management solutions

- 1) We joined TWCERT information security alliance and received information security information from time to time to strengthen information security joint defense and enhance employee information security awareness.
- 2) We regularly perform vulnerability scans, penetration tests, and email socialization projects to constantly enhance our data security capabilities.
- 3) We hold personal information protection and information security education courses for all employees every year and send out information security e-newsletters regularly.
- 4) In order to ensure that the personal information of consumers is not leaked, before an app is launched for consumers to use, it must pass the information security test, and the subsequent updates of the app must also pass the information security test and obtain security certificates before being launched.
- 5) The introduction of ISO 27001 enabled our cybersecurity system to comply with international standards.
- 6) We conduct red team exercises to simulate a full-scale attack by hackers to identify potential backdoors, vulnerabilities, and any channels that may cause cybersecurity incidents in order to strengthen information security protection.
- 7) Our service contracts with third-party service providers require that they comply with confidentiality and information security regulations. In the event of an information security incident, the outsourced service provider must immediately resolve technical problems caused by network attacks and ensure the confidentiality, integrity, and usability of the Company's and consumers' data.
- 8) We implemented a two-factor authentication mechanism to strengthen the security of identity verification.

(4) Resources devoted to cybersecurity management

- 1) In accordance with the ISO 27001 international standard for information security, we have established information security-related regulations, including cybersecurity education and training and continuous operational drills, to raise employee awareness of information security and to effectively reduce the risk of improper use, leakage, tampering, or destruction of information assets due to human error or natural disasters.
- 2) The Company and its 35 affiliates perform at least one email social engineering exercise each year, with as many as 6,000 people participating.
- 3) Members of the Company's staff completed one hour of information security training this year and information personnel have completed at least four hours of professional training in information communication and publish 7 E-papers.
- 4) In 2023, we expect to invest about NT\$73.88 million in information security, which is about 50% more than the previous year. Details include:

| Information Security Category | Details | Amount (NT\$million/year) |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Operations continuity and disaster preparedness | Backup and exercise related costs | 37.24 |
| Information security border protection | Anti-virus software, endpoint protection software, firewall, IPS, HIDS, WAF, and other equipment protection, replacement, and maintenance costs | 22.07 |
| Information security testing | Vulnerability scanning, penetration testing, source code detection, basic information security testing for mobile apps, and red team exercises | 8.47 |
| Information security monitoring and logging | 7*24 SOC monitoring and log management storage | 4.60 |
| Information security personal certification and training | ISO 27001, TPIPAS certification maintenance and training costs | 1.50 |

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:

In August 2022, a cybersecurity incident occurred in the electronic signage of OPEN!CHANNEL. As a result, some stores displayed non-business related content on their screens. At the time of the security incident, the affected system was shut down and the digital traces were preserved for investigation and forensic examination. The affected system was located in a separate environment and although it did not affect the Company's core retail operations. In order to ensure the normal operation of our business environment and prevent the recurrence of similar incidents, we have followed the requirements of the ISO 27001 cybersecurity international standard and improved our information security control measures and have completed improvement measures, such as strengthening cybersecurity management of outsourced operations, electronic signage system security management - establishing a real-time monitoring system, establishing physical and system security measures, completing third-party cybersecurity audits, and improving the professionalism of outsourced personnel in terms of information security.

7. Important Contracts

February 28, 2023

| Contract Type | Contracting Party | Term of Agreement | Summary | Clauses |
|------------------------------|-------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional licensing agreement | 7-ELEVEN, INC. | 2000.07.20 ~ Perpetuity | <ol style="list-style-type: none"> 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. 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 | 2022.08.23~2024.08.23 | NT\$300 million credit loan | None |
| Long-term loan agreement | Taipei Fubon Bank | 2022.06.27~2024.02.09 | NT\$2 billion credit loan | None |
| Long-term loan agreement | BNP Paribas | 2022.05.04~2024.05.04 | US\$82 million | None |
| Long-term loan agreement | Mizuho Bank | 2023.01.06~2025.01.06 | NT\$2 billion credit loan | None |
| Long-term loan agreement | HSBC Bank | 2022.07.01~2024.06.30 | NT\$2.6 billion credit loan | None |
| Long-term loan agreement | MUFG Bank, Ltd. | 2022.06.22~2025.06.22 | NT\$2.5 billion credit loan | None |
| Long-term loan agreement | Sumitomo Mitsui Banking Corporation | 2022.09.30~2024.09.30 | NT\$5.2 billion credit loan | None |
| Long-term loan agreement | Banco Bilbao Vizcaya Argentaria | 2022.04.08~2024.04.07 | US\$30 million | None |
| Long-term loan agreement | DBS Bank | 2022.07.31~2025.10.31 | NT\$5.8 billion credit loan | None |
| Long-term loan agreement | KGI Bank | 2022.12.16~2024.12.16 | NT\$3 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

| Year | Item | Financial information for the most recent five years | | | | |
|---------------------|--------------------------------|------------------------------------------------------|-------------|-------------|-------------|---------------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| | Current Assets | 26,967,356 | 23,120,743 | 25,273,799 | 27,495,827 | 28,285,767 |
| | Property, Plants and Equipment | 9,114,219 | 10,477,703 | 12,233,732 | 13,907,351 | 17,604,486 |
| | Intangible Assets | 119,019 | 84,728 | 162,265 | 290,720 | 358,172 |
| | Other Assets | 53,045,922 | 98,780,874 | 103,834,154 | 104,749,078 | 112,838,592 |
| | Total Assets | 89,246,516 | 132,464,048 | 141,503,950 | 146,442,976 | 159,087,017 |
| Current Liabilities | Before Distribution | 44,136,423 | 48,168,710 | 51,624,914 | 57,472,298 | 63,345,101 |
| | After Distribution | 53,285,102 | 57,525,310 | 60,981,514 | 66,828,898 | Not yet distributed |
| | Non-Current Liabilities | 9,858,043 | 48,072,457 | 53,858,845 | 54,807,670 | 59,282,836 |
| Total Liabilities | Before Distribution | 53,994,466 | 96,241,167 | 105,483,759 | 112,279,968 | 122,627,937 |
| | After Distribution | 63,143,142 | 105,597,767 | 114,840,359 | 121,636,568 | Not yet distributed |
| | Capital-Common Stock | 10,396,223 | 10,396,223 | 10,396,223 | 10,396,223 | 10,396,223 |
| | Capital Surplus | 45,059 | 46,884 | 47,628 | 86,222 | 87,852 |
| Retained Earnings | Before Distribution | 24,757,163 | 26,159,961 | 26,908,961 | 25,602,078 | 26,029,630 |
| | After Distribution | 15,608,487 | 16,803,361 | 17,552,361 | 16,245,478 | Not yet distributed |
| | Other Equity | 53,605 | (380,187) | (1,332,621) | (1,921,515) | (54,625) |
| | Treasury Stock | — | — | — | — | — |
| Total Equity | Before Distribution | 35,252,050 | 36,222,881 | 36,020,191 | 34,163,008 | 36,459,080 |
| | After Distribution | 26,103,374 | 26,866,281 | 26,663,591 | 24,806,408 | Not yet distributed |

(2) Condensed balance sheet (Consolidated)

Unit: NT\$1,000

| Item | Year | Financial information for the most recent five years | | | | |
|---------------------------------------------|---------------------|------------------------------------------------------|-------------|-------------|-------------|---------------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Current Assets | | 75,642,868 | 74,233,805 | 78,136,394 | 79,411,842 | 85,087,134 |
| Property, Plants and Equipment | | 25,292,763 | 26,018,322 | 28,050,374 | 29,140,850 | 34,407,957 |
| Intangible Assets | | 10,393,880 | 10,171,442 | 9,958,198 | 9,813,940 | 9,665,135 |
| Other Assets | | 16,365,569 | 84,705,065 | 93,348,968 | 96,137,403 | 104,049,574 |
| Total Assets | | 127,695,080 | 195,128,634 | 209,493,934 | 214,504,035 | 233,209,800 |
| Current Liabilities | Before Distribution | 68,112,215 | 77,349,713 | 82,699,832 | 88,598,018 | 97,709,081 |
| | After Distribution | 77,260,891 | 86,706,313 | 92,056,432 | 97,954,618 | Not yet distributed |
| Non-Current Liabilities | | 15,557,838 | 72,551,603 | 81,816,403 | 83,114,525 | 89,852,636 |
| Total Liabilities | Before Distribution | 83,670,053 | 149,901,316 | 164,516,235 | 171,712,543 | 187,561,717 |
| | After Distribution | 92,818,729 | 159,257,916 | 173,872,835 | 181,069,143 | Not yet distributed |
| Equity Attributable to Owners of the Parent | | 35,252,050 | 36,222,881 | 36,020,191 | 34,163,008 | 36,459,080 |
| Capital-Common Stock | | 10,396,223 | 10,396,223 | 10,396,223 | 10,396,223 | 10,396,223 |
| Capital Surplus | | 45,059 | 46,884 | 47,628 | 86,222 | 87,852 |
| Retained Earnings | Before Distribution | 24,757,163 | 26,159,961 | 26,908,961 | 25,602,078 | 26,029,630 |
| | After Distribution | 15,608,487 | 16,803,361 | 17,552,361 | 16,245,478 | Not yet distributed |
| Other Equity | | 53,605 | (380,187) | (1,332,621) | (1,921,515) | (54,625) |
| Treasury Stock | | — | — | — | — | — |
| Non-controlling Interest | | 8,772,977 | 9,004,437 | 8,957,508 | 8,628,484 | 9,189,003 |
| Total Equity | Before Distribution | 44,025,027 | 45,227,318 | 44,977,699 | 42,791,492 | 45,648,083 |
| | After Distribution | 34,876,351 | 35,870,718 | 35,621,099 | 33,434,892 | 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 | | | | |
|----------------------------------------------------------------------|------|------------------------------------------------------|-------------|-------------|-------------|-------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Operating Revenue | | 154,074,731 | 158,031,567 | 168,147,856 | 168,010,130 | 182,872,403 |
| Gross Profit | | 53,012,367 | 54,177,435 | 56,557,043 | 56,287,789 | 61,238,432 |
| Operating Income | | 7,654,581 | 7,046,067 | 7,518,677 | 5,797,632 | 6,093,234 |
| Non-Operating Income (Expenses) | | 4,779,209 | 5,174,399 | 4,195,838 | 4,023,727 | 4,629,030 |
| Net Income Before Tax | | 12,433,790 | 12,220,466 | 11,714,515 | 9,821,359 | 10,722,264 |
| Net Income from Continuing Operations | | 10,206,388 | 10,542,860 | 10,238,162 | 8,861,619 | 9,281,650 |
| Income (or Loss) from Discontinued Operations | | — | — | — | — | — |
| Net Income (Loss) | | 10,206,388 | 10,542,860 | 10,238,162 | 8,861,619 | 9,281,650 |
| Other Comprehensive Income (Loss) | | 424,762 | (426,096) | (1,086,199) | (429,910) | 2,469,629 |
| Total Comprehensive Income (Loss) | | 10,631,150 | 10,116,764 | 9,151,963 | 8,431,709 | 11,751,279 |
| 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\$) | | 9.82 | 10.14 | 9.85 | 8.52 | 8.93 |

(4) Condensed comprehensive income statement (Consolidated)

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

| Item | Year | Financial information for the most recent five years | | | | |
|----------------------------------------------------------------------|------|------------------------------------------------------|-------------|-------------|-------------|-------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Operating Revenue | | 244,887,853 | 256,058,888 | 258,494,907 | 262,735,464 | 290,434,137 |
| Gross Profit | | 84,076,692 | 87,848,420 | 88,080,510 | 88,123,640 | 97,854,524 |
| Operating Income | | 12,834,824 | 13,049,894 | 12,144,973 | 10,669,931 | 12,340,018 |
| Non-Operating Income (Expenses) | | 2,567,523 | 2,114,293 | 1,665,483 | 1,401,764 | 1,729,963 |
| Net Income Before Tax | | 15,402,347 | 15,164,187 | 13,810,456 | 12,071,695 | 14,069,981 |
| Net Income from Continuing Operations | | 11,744,278 | 12,112,109 | 11,340,258 | 10,018,536 | 11,069,923 |
| Income (or Loss) from Discontinued Operations | | — | — | — | — | — |
| Net Income (Loss) | | 11,744,278 | 12,112,109 | 11,340,258 | 10,018,536 | 11,069,923 |
| Other Comprehensive Income (Loss) | | 302,511 | (359,692) | (1,116,510) | (528,774) | 2,640,430 |
| Total Comprehensive Income (Loss) | | 12,046,789 | 11,752,417 | 10,223,748 | 9,489,762 | 13,710,353 |
| Net Income Attributable to Owners of the Parent | | 10,206,388 | 10,542,860 | 10,238,162 | 8,861,619 | 9,281,650 |
| Net Income Attributable to Non-Controlling Interests | | 1,537,890 | 1,569,249 | 1,102,096 | 1,156,917 | 1,788,273 |
| Total Comprehensive Income Attributable to Owners of the Parent | | 10,631,150 | 10,116,764 | 9,151,963 | 8,431,709 | 11,751,279 |
| Total Comprehensive Income Attributable to Non-Controlling Interests | | 1,415,639 | 1,635,653 | 1,071,785 | 1,058,053 | 1,959,074 |
| Earnings per Share (NT\$) | | 9.82 | 10.14 | 9.85 | 8.52 | 8.93 |

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

| Year | Auditing Firm | Auditor Names | | Audit Opinions |
|------|------------------------|------------------|------------------|----------------|
| 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 |
| 2022 | 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 | | | | |
|-----------------------|--------------------------------------------------------------|------------------------------------------------------|--------|--------|--------|--------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Financial Structure | Debt to Assets Ratio (%) | 60.50 | 72.65 | 74.54 | 76.67 | 77.08 |
| | Long-Term Capital to Property, Plant and Equipment Ratio (%) | 494.94 | 804.52 | 734.68 | 639.74 | 543.85 |
| Liquidity | Current Ratio (%) | 61.10 | 48.00 | 48.96 | 47.84 | 44.65 |
| | Quick Ratio (%) | 42.48 | 31.05 | 31.48 | 29.85 | 25.86 |
| Operating Performance | Interest Coverage | 290.35 | 34.98 | 30.70 | 25.30 | 25.75 |
| | Accounts Receivable Turnover (times) (Note 1) | — | — | — | — | — |
| Profitability | Average Collection Days (Note 1) | — | — | — | — | — |
| | Inventory Turnover (times) | 13.28 | 12.94 | 13.18 | 11.84 | 11.29 |
| | Accounts Payable Turnover (times) | 6.74 | 6.76 | 7.14 | 6.39 | 6.25 |
| | Average Inventory Turnover Days | 27.48 | 28.22 | 27.69 | 30.83 | 32.33 |
| | Property, Plant and Equipment Turnover (times) | 17.06 | 16.13 | 14.81 | 12.85 | 11.61 |
| | Total Assets Turnover (times) | 1.62 | 1.43 | 1.23 | 1.17 | 1.20 |
| Cash Flow | ROA (%) | 10.78 | 9.77 | 7.70 | 6.38 | 6.32 |
| | ROE (%) | 23.77 | 29.50 | 28.34 | 25.25 | 26.29 |
| | Ratio of Pre-tax Profit to Paid-in Capital (%) | 119.60 | 117.55 | 112.68 | 94.47 | 103.14 |
| | Net Margin (%) | 6.62 | 6.67 | 6.09 | 5.27 | 5.08 |
| | Earnings per Share (NT\$) | 9.82 | 10.14 | 9.85 | 8.52 | 8.93 |
| | Cash Flow Ratio (%) (Note 3) | 38.20 | 34.41 | 37.95 | 43.08 | 32.21 |
| Leverage | Cash Flow Adequacy (%) | 96.54 | 102.16 | 106.11 | 107.51 | 111.12 |
| | Cash Flow Reinvestment Ratio (%) (Note 3) | (15.67) | 14.03 | 19.14 | 30.60 | 20.60 |
| | Operating Leverage | 1.84 | 2.91 | 2.87 | 3.57 | 3.69 |
| | Financial Leverage | 1.01 | 1.05 | 1.06 | 1.07 | 1.08 |

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 86, which are based on IFRS.

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

• Cash Flow Ratio、Cash Flow Reinvestment Ratio: The change was primarily caused by decreased in net cash flows from operating activities in 2022.

(2) Financial analysis (Consolidated)

| Item | Year | Financial information for the most recent five years | | | | |
|-----------------------|-----------------------------------------------------------------------|------------------------------------------------------|--------|--------|--------|--------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 |
| Financial Structure | Debt to Assets Ratio (%) | 65.52 | 76.82 | 78.53 | 80.05 | 80.43 |
| | Long-Term Capital to Property, Plant and Equipment Ratio (%) (Note 3) | 235.57 | 452.68 | 452.02 | 432.06 | 393.81 |
| Liquidity | Current Ratio (%) | 111.06 | 95.97 | 94.48 | 89.63 | 87.08 |
| | Quick Ratio (%) | 86.89 | 74.18 | 72.94 | 66.58 | 62.77 |
| | Interest Coverage (Note 3) | 107.47 | 13.47 | 11.45 | 10.94 | 12.93 |
| Operating Performance | Accounts Receivable Turnover (times)(Note 1) | — | — | — | — | — |
| | Average Collection Days (Note 1) | — | — | — | — | — |
| | Inventory Turnover (times) | 11.28 | 10.93 | 10.55 | 9.96 | 9.60 |
| | Accounts Payable Turnover (times) | 6.67 | 6.75 | 6.69 | 6.41 | 6.49 |
| | Average Inventory Turnover Days | 32.35 | 33.39 | 34.59 | 36.65 | 38.02 |
| | Property, Plant and Equipment Turnover (times) | 9.74 | 9.98 | 9.56 | 9.19 | 9.14 |
| | Total Assets Turnover (times) | 1.83 | 1.59 | 1.28 | 1.24 | 1.30 |
| Profitability | ROA (%) | 8.86 | 8.11 | 6.13 | 5.20 | 5.36 |
| | ROE (%) | 22.69 | 27.14 | 25.14 | 22.83 | 25.03 |
| | Ratio of Pre-tax Profit to Paid-in Capital (%) | 148.15 | 145.86 | 132.84 | 116.12 | 135.34 |
| | Net Margin (%) | 4.80 | 4.73 | 4.39 | 3.81 | 3.81 |
| | Earnings per Share (NT\$) | 9.82 | 10.14 | 9.85 | 8.52 | 8.93 |
| Cash Flow | Cash Flow Ratio (%) | 26.31 | 37.28 | 36.68 | 40.61 | 35.04 |
| | Cash Flow Adequacy (%) | 98.19 | 107.00 | 114.89 | 118.73 | 121.57 |
| | Cash Flow Reinvestment Ratio (%) | (11.48) | 23.94 | 24.68 | 31.73 | 27.41 |
| Leverage | Operating Leverage | 2.01 | 2.33 | 2.51 | 2.68 | 2.58 |
| | Financial Leverage | 1.01 | 1.10 | 1.12 | 1.13 | 1.11 |

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 86, which are based on IFRS.

Note 3: The reasons for changes in financial ratios over the past two years:None.

※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 102.

4. The audited consolidated financial report for the most recent fiscal year: Please refer to pages 103– 166.

5. The audited parent company only financial report for the most recent fiscal year: Please refer to pages 167 –226.

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

Financial Status, Financial Performance and Risk Management

1. Financial position analysis (consolidated)

Unit: NT\$1,000

| Item | Year | 2021 | 2022 | Variance | |
|-------------------------------------------|-------------|-------------|------------|------------|---|
| | | | | Difference | % |
| Current Assets | 79,411,842 | 85,087,134 | 5,675,292 | 7.15% | |
| Property, Plant and Equipment | 29,140,850 | 34,407,957 | 5,267,107 | 18.07% | |
| Intangible Assets | 9,813,940 | 9,665,135 | (148,805) | -1.52% | |
| Other Assets | 96,137,403 | 104,049,574 | 7,912,171 | 8.23% | |
| Total Assets | 214,504,035 | 233,209,800 | 18,705,765 | 8.72% | |
| Current Liabilities | 88,598,018 | 97,709,081 | 9,111,063 | 10.28% | |
| Non-current Liabilities | 83,114,525 | 89,852,636 | 6,738,111 | 8.11% | |
| Total Liabilities | 171,712,543 | 187,561,717 | 15,849,174 | 9.23% | |
| Capital | 10,396,223 | 10,396,223 | 0 | 0.00% | |
| Capital Surplus | 86,222 | 87,852 | 1,630 | 1.89% | |
| Retained Earnings | 25,602,078 | 26,029,630 | 427,552 | 1.67% | |
| Equity Attributable to the Parent Company | 34,163,008 | 36,459,080 | 2,296,072 | 6.72% | |
| Total Equities | 42,791,492 | 45,648,083 | 2,856,591 | 6.68% | |

1. Reasons for variance over the past two years: none.

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 | 2021 | 2022 | Variance | |
|---------------------------------------------------------------|-------------|-------------|------------|------------|---|
| | | | | Difference | % |
| Operating Revenue | 262,735,464 | 290,434,137 | 27,698,673 | 10.54% | |
| Gross Profit | 88,123,640 | 97,854,524 | 9,730,884 | 11.04% | |
| Operating Profit | 10,669,931 | 12,340,018 | 1,670,087 | 15.65% | |
| Total Non-operating Income (Expenses) | 1,401,764 | 1,729,963 | 328,199 | 23.41% | |
| Net Pre-tax Income | 12,071,695 | 14,069,981 | 1,998,286 | 16.55% | |
| Net Income | 10,018,536 | 11,069,923 | 1,051,387 | 10.49% | |
| Other consolidated profit and loss | (528,774) | 2,640,430 | 3,169,204 | -599.35% | |
| Total comprehensive income | 9,489,762 | 13,710,353 | 4,220,591 | 44.48% | |
| Net Income Attributable to the Parent Company | 8,861,619 | 9,281,650 | 420,031 | 4.74% | |
| Total Comprehensive Income Attributable to the Parent Company | 8,431,709 | 11,751,279 | 3,319,570 | 39.37% | |

1. Explanation of variance:

- Increase in Non-operating Income (Expenses): primarily due to increase in interest income.
- Increase in Other consolidated profit and loss, comprehensive income, and Total Comprehensive Income Attributable to the Parent Company: primarily due to the impact of the appreciation of the U.S. dollar.

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:

| Cash Balance at the Beginning of 2022 | Net Cash Inflow from Operating Activities in 2022 | Net Cash Outflows in 2022 | Cash Surplus (Shortage) | Remedies for Cash Shortage | |
|---------------------------------------|---------------------------------------------------|---------------------------|-------------------------|----------------------------|----------------|
| | | | | Investment Plan | Financial Plan |
| 45,648,486 | 34,237,968 | (31,346,076) | 48,540,378 | - | - |

1. Operating activities: The net cash inflow from operating activities was NT\$34.2 billion. The cash inflow remained steady primarily due to stable profits.
2. Investing activities: The net cash outflow from investing activities was NT\$12.6 billion, which was primarily due to acquisition of operations-related fixed assets.
3. Financing activities: The net cash outflow from financing activities was NT\$21 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:

| Cash Balance at the Beginning of 2022 | 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 |
| 48,540,378 | 38,228,700 | (34,186,694) | 52,582,384 | - | - |

1. Operating activities: Stable revenue is expected in 2023, which should bring in net cash inflow.
2. Investing activities: Investing outflows will primarily include the purchase of fixed assets and acquire equity investment.
3. 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

| Project | Actual or Planned Source of Capital | Actual or Planned Date of Project Completion | Total Capital Required | Actual or Planned Capital Expenditures | | | | |
|---------------------------------------------|-------------------------------------|----------------------------------------------|------------------------|----------------------------------------|-----------|-----------|-----------|-----------|
| | | | | 2020 | 2021 | 2022 | 2023 | 2024 |
| Investments in new stores and POS Equipment | Working capital and loans | Annual | 9,944,775 | 1,860,710 | 2,058,374 | 1,901,097 | 2,059,383 | 2,059,383 |
| Remodeling of Existing Stores | Working capital and loans | Annual | 9,574,179 | 838,280 | 1,621,150 | 1,765,271 | 2,694,269 | 2,694,269 |
| Store Equipment Purchases / Replacement | Working capital and loans | Annual | 18,420,794 | 1,645,280 | 1,914,103 | 4,065,024 | 8,236,292 | 2,487,349 |

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 | | |
|------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------|------------------------|----------------------------------------|-----------|-----------|
| | | | | 2022 | 2023 | 2024 |
| Investments in new stores | Working capital and loans | Annual | 8,348,508 | 1,785,748 | 3,214,002 | 3,348,758 |
| Remodeling of existing stores | Working capital and loans | Annual | 1,146,476 | 221,900 | 440,842 | 483,735 |
| Store equipment purchases / replacement | Working capital and loans | Annual | 1,340,641 | 296,317 | 603,636 | 440,689 |
| Investments in IT equipment (including purchases of hardware, software and POS equipment) | Working capital and loans | Annual | 2,009,902 | 448,052 | 783,385 | 778,466 |
| Purchase and replacement of logistics system or related equipment | Working capital and loans | Annual | 8,139,403 | 2,005,139 | 2,053,153 | 4,081,111 |
| Other (e.g., establishment of fresh food processing plants and logistics centers and distribution centers) | Working capital and loans | Annual | 3,295,995 | 761,202 | 1,101,201 | 1,433,591 |

(2) Estimated benefits:

1. Anticipated increase in sales and gross profits:

Unit: NT\$1,000

| Year | Item | Sales Value | Gross Profit |
|------|----------------------------------------|-------------|--------------|
| 2023 | Investments in new and existing stores | 4,648,883 | 1,440,757 |
| 2024 | Investments in new and existing stores | 4,681,426 | 1,451,778 |
| 2025 | Investments in new and existing stores | 4,714,195 | 1,462,412 |
| 2026 | Investments in new and existing stores | 4,747,195 | 1,473,124 |
| 2027 | Investments in new and existing stores | 4,780,425 | 1,483,914 |

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 consumers 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 2022, PCSC's investment income accounted for using equity method was NT\$3,409,883,000, 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 consumers with rich and diversified life experiences, PCSC has continued to expand its quality business enterprises. In 2022, PCSC and its reinvestment businesses had accumulated 11,778 stores in Taiwan and abroad, including 3,393 7-ELEVEN stores in the Philippines. Capitalizing on economic recovery opportunities in the wake of the epidemic, the Company has been actively launching new stores and continued to develop differentiated products to drive profit growth. Uni-Wonder Corp. (Starbucks) now has 547 leisure stores, is enhancing member management and brand experience, and continues to operate specialty stores and delivery services to consolidate its brand position. By launching new large scale stores (combining different businesses, drugstores, etc.) and integrating online and offline store resources, President Drugstore Business Corp., now with 411 stores, enabling it to meet the ever-changing needs of consumers. President Transnet Corp. has continued to optimize business development and focus on low-temperature operations to enhance operational efficiency in response to changing lifestyles. BOOKS.COM CO., LTD. accelerated its digital transformation and product development and is actively expanding its e-book and audiobook operations to drive the book market. In the future, PCSC and its reinvestment businesses will continue to focus on its core business to enhance long-term investment returns.

(2) Improvement Plan for Investments in Affiliated Enterprises:

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.

Major long-term investments in 2022 include the following:

Unit: NT\$1,000

| Company | Description | Amount of Investment in 2022 | Main reasons for profit / loss |
|-------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| President Chain Store (Shanghai) Ltd.(Note 1) | 356,130 | Currently in the development stage; the affiliate operated at a loss. Enrich working capital to stabilize business operation and development. | |
| Uni-President Oven Bakery Corp. | 290,000 | The profit model has not yet stabilized, so the affiliate operated at a loss. Enrich working capital to stabilize business operation and development. | |
| Connection labs Ltd. | 100,000 | Currently in the development stage; the affiliate operated at a loss. Enrich working capital to stabilize business operation and development. | |
| Uni-Capital Marketing Consultant Holding Co., Ltd. (Note 2) | 14,247 | Newly established company. | |
| Uni-Capital Marketing Consultant Corp. (Note 2) | 13,355 | Newly established company. | |
| Philippine Seven Corp. (Note 3) | 125,289 | The number of retail locations continued to grow rapidly, resulting in steady increase in profits and further increase stakes. | |

Note 1: Funded by Uni-President Hong Kong Holdings Ltd.

Note 2: Uni-Capital Marketing Consultant Corp was invested by Uni-Capital Marketing Consultant Holding Co., Ltd after. Capital Marketing Consultant Corp. funded Uni-Capital Marketing Consultant Holding Co., Ltd..

Note 3: President Chain Store (Labuan) Holdings Ltd. acquire additional shares in Philippine Seven Corp. after President Chain Store (BVI) Holdings Ltd. funded President Chain Store (Labuan) Holdings Ltd..

(3) Investment Plans for the Coming Year: the company plan to acquire additional 10.5% shares in PresiCarre Corp. After acquisition, the total stake that company hold in PresiCarre Corp..will increased to 30%.

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 complying with relevant laws and regulations, the Company proactively identifies, analyzes, measures, monitors, responds, reports, and improves on potential risks in its operations based on their characteristics and

degree of impact. We are able to maintain and control potential risks, while ensuring that the Company achieves its strategic objectives. To coordinate the management of various types of risks, establish risk management policies and management areas, plan future operations, and strengthen information security management, in July 2020, the Board of Directors resolved to create an Office of Risk and Information Security Management under the Corporate Social Responsibility Committee and on December 14, 2022, in order to effectively manage information security, the Board of Directors approved the dividing of the Office of Risk and Information Security Management into Risk Management Committee and Cybersecurity Committee. The Cybersecurity Committee is responsible for information security risk management.

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:

Faced with a volatile international situation, the U.S. Federal Reserve and other major central banks vigorously implemented monetary tightening policies, but the shadow of inflation has not yet lifted. In addition, the war between Russia and Ukraine has not yet subsided. Uncertainties are affecting the economic outlook, with global demand shrinking and government agencies and think tanks turning conservative on the economic outlook. The tone of the central bank's monetary policy is "moderate tightening". The subsequent policy direction will depend on the performance of economic data.

Countermeasures: We will continue to monitor the trend in interest rate changes in the United States and Taiwan, adjust US dollar asset allocation strategy in a timely manner to mitigate the downside risk of interest rates, and seek the most appropriate fundraising tools in accordance with the group's development and control 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:

In 2022, the global epidemic continued to rage, the Russia-Ukraine war broke out in late February, followed by global inflation, and many countries raised interest rates in order to curb inflation, leading to a global recession. Taiwan, as a small open economy, is easily affected by the global economy. The economic growth in 2022 is 2.43%. The consumer price index (CPI) has reached 2.93%, a new high for the past decade.

Looking ahead to 2023, with the opening of the country's borders, consumer momentum is expected to continue to rise, however, the global economy has cooled and the pressure on manufacturers' inventories persists. The uncertainty of economy remains, with the General Accounting Office forecasting economic growth of 2.75%.

Countermeasures: The Company has continued to enhance the value of its products, adjust its product mix, improve its gross profit structure, and strengthen its member economy to capitalize on consumer growth trends and business opportunities to reduce the pressure of cost increases and the impact of future inflation on the Company's operations.

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 2022, the subsidiary President Pharmaceutical Corp. loaned funds to President Being Corp. in the amount of NT\$48 million, with actual amount of NT\$48 million for the year ending December 31, 2022. 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, points system:

- We will continue to increase the number of points circulation functions and areas of use, expand OP member life circle, and make point accumulation and point redemption more convenient for members.
- We will develop member data marketing tools and conduct accurate member marketing to continue to increase member activity and consumption contribution.

(2) Mobile anytime access optimization: We will upgrade the ticket system and optimize the user interface to enhance the consumption experience and enhance subscription, sharing and other related functions to provide diverse services and increase member loyalty.

(3) App optimization: We will provide personalized services and optimize the experience of the member ecosystem and promote various activities to improve overall satisfaction.

(4) In 2023, we expect to invest NT\$102.13 million in R&D, including inter-area use of points, member marketing automation, international Pay bundled with OP membership, store-side software and digital payment function optimization, to provide customers with better digital services.

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) Recently identified major cybersecurity risks: Due to geopolitics, the popularity of emerging technology applications (such as 5G, IOT, AI, blockchain, and cloud services), the massive use of open source software, and the increasingly complex cyber system outsourcing supply chain as well as various laws and regulations and competent authorities in cybersecurity and risk management, enterprises need to face cybersecurity threats and compliance issues that have become more common and important. Many recent cybersecurity incidents have evolved into multi-faceted and compounded attacks on the corresponding cybersecurity risk management of outsourced partners. In response to various laws and regulations and the requirements of the competent authorities, the Company has established routine cyber risk management procedures. In order to enhance the cybersecurity risk management capabilities of our outsourcing partners, we share information security information with our outsourcing partners, enhance the security of our system architecture, and establish an incident notification and response mechanism to improve the resilience of cybersecurity.

(2) Impact on the Company's financial operations and measures to address it:

The Company passed the ISO 27001 third-party certification, set up a cybersecurity committee and a cybersecurity management unit to regularly review and adjust strategies, cybersecurity policies and regulations based on internal and external risk assessment results, promote various protective measures and measure their effectiveness. In addition, it is to report regularly to the Sustainability Development Committee to ensure that we achieve our goal of zero tolerance for major information security and personal data incidents.

In addition to passing ISO 27001, the Company has implemented specific and effective security and privacy protection measures by referring to the NIST Cybersecurity Framework cybersecurity framework and following domestic and international standards and regulations to prevent possible risks, including the implementation of appropriate cybersecurity protection management measures. Include risk assessment in the selection of outsourced vendors, and monitor cyber service providers to ensure cyber supply chain security and personal data privacy protection. For example, in equipment procurement, priority is given to products that have obtained the Internet of Things (IOT) security seal established by the National Communications Commission and the Ministry of Economic Affairs to mitigate the information security risks associated with IOT equipment.

It also commissions two professional information security companies in Taiwan to perform 7/24 SOC monitoring service (Security Operation Center) to monitor and compile all kinds of information security activities in real time. Monitoring and compiling various information security activities in real time serve as early warning intelligence of threats in advance, real-time information during threat events, and the basis for analysis and recommendations in the wake of threats, allowing for the effective management of various information security alerts, as well as for the timely response to information security incidents and the mitigation of damage.

The Company conducts red team exercises, security health checks, and works with the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to provide information security notification and defense. Through education, training, exercises, threat information collection and vulnerability alerting, we ensure the effectiveness of defense and create a cyber-communication environment with information security resilience.

6. Impacts of changes in corporate image on corporate crisis management and related response measures:

With the corporate culture of Sincerity, Innovation, and Sharing, PCSC is committed to providing the most secure, convenient, and quality products and services to the public. In 2022, PCSC exceeded 6,600 stores. Behind the rapid growth, we are committed to pursuing the development of diversified products and services in our industry. In addition to fulfilling our corporate social responsibility and building a good corporate image both domestically and internationally, we are also continuously improving our sustainable strength in economic, environmental and social aspects, and actively interacting with all stakeholders to fulfill our corporate citizenship.

In 2022, PCSC received numerous awards for corporate sustainability in terms of operational growth, corporate governance, environmental protection, and social participation. The company has been awarded the Taiwan Corporate Sustainability Award by the Taiwan Foundation for Sustainable Energy Research (TFSER) as one of the top ten sustainable companies in Taiwan (service industry category), the Platinum Award of the Sustainability Report Award, and the Dow Jones Sustainability World Index for four consecutive years. PCSC was ranked A-Leader in the CDP Climate Change Questionnaire for the first time, and has been selected as a member of FTSE4Good Emerging Markets Index, MSCI Global Sustainability Indexes, MSCI Global SRI Indexes, Taiwan Sustainability Indexes, and Taiwan Employment 99 Index. The Company is the only listed company in the retail industry that has been ranked in the top 5% of Corporate Governance Evaluation for eight consecutive years.

To prevent and control potential crises that may affect the company's image, such as typhoons, earthquakes, floods and fires, casualties, supply chain disruptions, and other natural or man-made disasters, in addition to understanding the risks, PCSC has established a sound crisis management unit and a standardized operation procedure for crisis response, and formulated the PCSC Crisis Management Manual in order to minimize the damage caused by crisis. We have established an inter-departmental Crisis Task Force, headed by the general manager, with "General Crisis Team" and "Financial Crisis Team" under it. We have also assigned authority and responsibility to various units for different types of crises and established reporting principles, in order that we can respond to crises in a timely manner. We have employed strict mechanisms to consolidate PCSC operations so that we can manage any incidents from the time they occur and are dealt with to external response. In addition, PCSC has set up the Regulations Control and

Breakthrough Operation Regulations, in which the Regulations Evaluation Committee is set up as the guiding unit for regulations compliance, and the regulations evaluation window of each unit is set up to establish the legal compliance mechanism, so as to keep abreast of the trend of government regulations amendment and ensure that all operations of the Company are in compliance with the government 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:

2022 Consolidated Business Report of Affiliated Companies: Please refer to pages 227 – 238.

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

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1 Positions Concurrently Held by Director in Other Companies

As of December 31, 2022

| Name | Current Position in Other Companies | |
|-----------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lo, Chih-Hsien | 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.、Prince Real Estate Co.、Times Square International Holding Co.、Times Square International Stays Co.、Times Square International Hotel Co.、Uni-President Express Corp.、Cheng-Shi Investment Holding Co. |
| | Vice Chairman | : President Nisshin Corp. |
| | 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 Enterprises (Shanghai) Management Consulting 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(Kunshan) Real Estate Development 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.、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.、Retail Support International Corporation、Uni-President Assets Holdings Ltd.、Prince Property Management Consulting Co.、Kao Chuan Inv. Co., Ltd. |
| | Supervisor | : Infinity Holdings Ltd.、Eternity Holdings Ltd.、Celestial Prosperities Holdings Ltd. |
| | President | : Presco Netmarketing, Inc.、Uni-President Express Corp. |
| Kao, Shiow-Ling | 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. |
| | Director | : Uni-President Enterprises Corp.、Uni-Wonder Corporation、Ton Yi Industrial Corp.、Prince Housing & Development Corp.、Grape King Bio Ltd.、Merry Life Biomedical Company 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. |
| | President | : President Fair Development Corp.、Kao Chuan Inv. Co., Ltd. |

| Name | Current Position in Other Companies | |
|-----------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chen, Jui-Tang | Chairman Director | : President Transnet Corp. 、 President Collect Services Corp. 、 Uni-Wonder Corporation 、 Uni-President Superior Commissary Corp. 、 Kai Ya Food Co., Ltd. : Nanlien International Corp. |
| Huang, Jui-Tien | Chairman | : Beauty Wonder (Zhejiang) Trading Co.,Ltd. 、 President (Shanghai) Health Product Trading Company Ltd 、 Wisdom Distribution Service Corp. 、 Retail Support International Corporation 、 Capital Marketing Consultant Corp. 、 President Chain Store Tokyo Marketing Corporation 、 President Information Corp. 、 Ren-Hui Investment Corp. 、 Tait Marketing & Distribution Co., Ltd. 、 Uni-Capital Marketing Consultant Corp. |
| | Vice Chairman Director | : Philippine Seven Corp. : Uni-President Enterprises Corp. 、 President Chain Store (Shanghai) Ltd. 、 Shan Dong President Yinzuo Commercial Limited 、 President Chain Store (Zhejiang) Ltd. 、 President Drugstore Business Corp. 、 President Being Corp. 、 President Pharmaceutical Corp. 、 President Transnet Corp. 、 President Collect Services Corp. 、 Uni-President Department Store Corp. 、 Books. Com. Co., Ltd. 、 Uni-Wonder Corporation 、 Uni-President Cold-Chain Corp. 、 President Fair Development Corp. 、 Uni-President Development Corp. 、 President International Development Corp. 、 President Chain Store (Labuan) Holdings Ltd. 、 President Chain Store (Hong Kong) Holdings Limited 、 President Pharmaceutical (Hong Kong) Holdings Limited 、 Uni-President Logistics(BVI) Holdings Limited 、 Ren Hui Holding Co., Ltd. 、 President Chain Store (BVI) Holdings Ltd. 、 PCSC (China) Drugstore Limited 、 Uni-Capital Marketing Consultant Holding Co., Ltd. 、 President Nissin Corp. 、 Changjiagang President Nissin Food Co., Ltd. 、 Shanghai Songjiang President Enterprises Co., Ltd. 、 Uni-President Express Corp. 、 Uni-President Foodstuff (BVI) Holdings Ltd. |
| | President | : President Being Corp. 、 President Pharmaceutical (Hong Kong) Holdings Limited 、 Ren-Hui Investment Corp. |
| Hwang, Jau-Kai | Chairman Director | : Uni-President Vender Corp. : Ton Yi Industrial Corp. 、 Uni-President (Vietnam) Co., Ltd. 、 Uni-President Cold-Chain Corp. 、 Uni-President Express Corp. |
| | President | : President : Uni-President Enterprises Corp. |
| | Chairman Director Supervisor President | : President Life Sciences Co., Ltd. 、 Tong Yu Investment Corp. 、 Uni-President Development Corp. 、 Androscience Corp. : President International Development Corp. 、 Uni-President China Holdings Ltd. 、 Scinopharm Taiwan,Ltd. 、 President Tokyo Corporation 、 Uni-President Hong Kong Holdings Limited 、 President (BVI) International Investment Holdings Ltd. 、 President Life Sciences Cayman Co.,Ltd. 、 President Tokyo Auto Leasing Corporation 、 Tanvex Biologics. Inc. 、 Xiang Lu Industrial Ltd. : Bank Sinopac Company Limited 、 Cayman Island Grand Galactica Corp Limited : Presicarre Corporation : 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. 、 Zhangzhou President Biotech Co.,Ltd. 、 Master Channels Corporation |
| | Director President | : Ttet Union Corporation 、 Changjiagang President Nissin Food Co., Ltd. 、 President Nissin Corp. 、 Changjiagang President Nissin Food Co., Ltd. |
| | Chairman Director | : Fu Yie Enterprise Co.,Ltd 、 Chang-Tong Enterprise Corp. 、 Pt. Uni President Indonesia : Changjiagang President Nissin Food Co., Ltd. |
| Wu, Tsung-Pin | Chairman Director | : Tung-Ren Pharmaceutical Corporation 、 Kai Nan Investment Co., Ltd. : Prince Housing & Development Corp. 、 Grand Bills Finance Corporation 、 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. 、 Prince Real Estate Co. 、 Times Square International Holding Co. 、 Times Square International Hotel Co. 、 Cheng-Shi Investment Holding Co. |
| | Supervisor | : President Kikkoman Inc. 、 Woongjin Foods Co., Ltd. 、 Daeyoung Foods Co., Ltd. 、 Uni-President (Korea) 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. |
| | Director Supervisor | : Uni-President Assets Management Corp. 、 Philippine Seven Corp. 、 Uni-President (Singapore) Pte. Ltd. : Uni-Wonder Corporation 、 President Transnet Corp. 、 President Collect Services Co., Ltd. 、 President Information Corp. 、 Books.Com. Co., Ltd. 、 President Chain Store (Shanghai) Ltd. 、 President Chain Store (Zhejiang) Ltd. 、 Connection Labs Ltd. |
| Hung, Yung-Chen | Director | : Hua Vi Venture Capital Corp. 、 Kinpo Electronics Inc. |
| Chen, Liang | Chairman Supervisor | : Peak Capital Holdings Inc. 、 Co-Center Co., Ltd. : First Commercial Bank |
| Hsu, Ke-Wei | Independent Director Consultant | : Nidec Chaun-Choung Technology Corp. |
| | | : Holding Disp. Co., Ltd. legal consultant |

2 Positions Concurrently Held by Management in Other Companies

As of December 31, 2022

| Name | Current Position in Other Companies | | |
|---------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Huang, Jui-Tien | Chairman | : Beauty Wonder (Zhejiang) Trading Co.,Ltd. 、 President (Shanghai) Health Product Trading Company Ltd 、 Wisdom Distribution Service Corp. 、 Retail Support International Corporation 、 Capital Marketing Consultant Corp. 、 President Chain Store Tokyo Marketing Corporation 、 President Information Corp. 、 Ren-Hui Investment Corp. 、 Tait Marketing & Distribution Co., Ltd. 、 Uni-Capital Marketing Consultant Corp. | |
| | Vice Chairman | : Philippine Seven Corp. | |
| | Director | : Uni-President Enterprises Corp. 、 President Chain Store (Shanghai) Ltd. 、 Shan Dong President Yinzuo Commercial Limited 、 President Chain Store (Zhejiang) Ltd. 、 President Drugstore Business Corp. 、 President Being Corp. 、 President Pharmaceutical Corp. 、 President Transnet Corp. 、 President Collect Services Co., Ltd. 、 Uni-President Department Store Corp. 、 Books. Com. Co., Ltd. 、 Uni-Wonder Corporation 、 Uni-President Cold-Chain Corp. 、 President Fair Development Corp. 、 Uni-President Development Corp. 、 President International Development Corp. 、 President Chain Store (Labuan) Holdings Ltd. 、 President Chain Store (Hong Kong) Holdings Limited 、 President Pharmaceutical (Hong Kong) Holdings Limited 、 Uni-President Logistics(Bvi) Holdings Limited 、 Ren Hui Holding Co., Ltd. 、 President Chain Store (Bvi) Holdings Ltd. 、 Pcs (China) Drugstore Limited 、 Uni-Capital Marketing Consultant Holding Co., Ltd. 、 President Nisshin Corp. 、 Changjiagang President Nisshin Food Co., Ltd. 、 Shanghai Songjiang President Enterprises Co., Ltd. 、 Uni-President Express Corp. 、 Uni-President Foodstuff (Bvi) Holdings Ltd. | |
| | President | : President Being Corp. 、 President Pharmaceutical (Hong Kong) Holdings Limited 、 Ren-Hui Investment Corp. | |
| Chen, Jui-Tang | Chairman | : President Transnet Corp. 、 President Collect Services Corp. 、 Uni-Wonder Corporation 、 Uni-President Superior Commissary Corp. 、 Kai Ya Food Co., Ltd. | |
| | Director | : Nanlien International Corp. | |
| Hsieh, Lien-Tang | Chairman | : Duskin Serve Taiwan Co., Ltd. 、 Mister Donut Taiwan Co., Ltd. | |
| | Director | : President Transnet Corp. 、 President Collect Services Corp. 、 Retail Support International Corporation 、 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 Corporation | |
| Chang, Chia-Hua | Chairman | : Qware Systems & Services Corporation 、 Connection Labs Ltd. | |
| | Director | : President Information Corp. 、 ICASH Corporation | |
| | President | : Presco Netmarketing, Inc. | |
| Wu, Wen-Chi | Director | : Philippine Seven Corp. 、 Uni-President Assets Management Corp. 、 Uni-President (Singapore) Pte. Ltd. | |
| | Supervisor | : President Chain Store (Shanghai) Ltd. 、 President Chain Store (Zhejiang) Ltd. 、 President Transnet Corp. 、 President Collect Services Corp. 、 Books.Com. Co., Ltd. 、 Uni-Wonder Corporation 、 President Information Corp. 、 Connection Labs Ltd. | |
| Lee, Johniyh | Director | : Icash Corporation | |
| | Supervisor | : President Drugstore Business Corp. 、 President Being Corp. 、 Mech-President Corp. 、 President Pharmaceutical Corp. 、 Uni-President Development Corp. 、 Duskin Serve Taiwan Co., Ltd. 、 Mister Donut Taiwan Co., Ltd. 、 Uni-President Department Store Corp. | |
| Kuo, Ching-Feng | Chairman | : Uni-President Oven Bakery Corp. | |
| | Director | : Philippine Seven Corp. 、 Duskin Serve Taiwan Co., Ltd. 、 21 Century Co., Ltd. 、 Uni-Wonder Corporation 、 Wisdom Distribution Service Corp. 、 Uni-President Cold-Chain Corp. 、 Capital Marketing Consultant Corp. 、 Uni-President Superior Commissary Corp. 、 Mister Donut Taiwan Co., Ltd. 、 President Chain Store (Hong Kong) Holdings Limited 、 Koasa Yamako Corp. 、 Kai Ya Food Co., Ltd. | |
| Lee, Tsung-Hsien | Director | : Philippine Seven Corp. 、 Shan Dong President Yinzuo Commercial Limited 、 Duskin Serve Taiwan Co., Ltd. 、 Uni-President Cold-Chain Corp. 、 Capital Marketing Consultant Corp. 、 Uni-Capital Marketing Consultant Corp. | |
| Lu, Yung-Wei | Director | : Philippine Seven Corp. 、 Uni-Wonder Corporation 、 President Chain Store Tokyo Marketing Corporation 、 Mister Donut Taiwan Co., Ltd. 、 Pcs (China) Drugstore Limited 、 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. | |
| Hsieh Hung, Hui-Tzu | Director | : President Securities Corporation. | |
| Wu, Hui-Chen | Chairman | : Mech-President Corp. 、 Tong Ching Corporation | |
| Chang, Kuo-Kuang | Chairman | : Tung Lo Development Co., Ltd. 、 Tone Sang Construction Corp. | |
| | Director | : President Century Corp. 、 Uni-President Development Corp. | |
| | President | : Uni-President Development Corp. 、 Tung Lo Development Co., Ltd. | |

3 Statement of Internal Control System

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

Date: February 23, 2023

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 2022:

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 23, 2023, 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 2022 Business Report, Financial Statements, and Proposal for Allocation of 2022 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. 2023

President Chain Store Corp.

Chairman of the Audit Committee

Date: February 23, 2023

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, 2022, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. Additionally, 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 23, 2023

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, 2022 and 2021, 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, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of 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 2022 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 2022 consolidated financial statements are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(25) and 6(24) 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\$17,529,003 thousand and NT\$15,269,632 thousand, representing 7.5% and 7.1% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the operating revenue amounted to NT\$35,264,978 thousand and NT\$26,481,589 thousand, representing 12.1% and 10.1% of the consolidated total operating revenue for the years then ended, respectively.

Other matters – Parent company - only financial reports

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, 2022 and 2021.

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 that came into effect 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 auditors' 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of 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 auditors' 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 auditors' 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, 2022 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 23, 2023

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

Consolidated Financial
Statements and
Report of Independent
Accountants

DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | December 31, 2022 | | December 31, 2021 | | |
|--------------------------------------------------------------------------------------|-------------|-----------------------|-------------------|-----------------------|-------------------|--|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 Cash and cash equivalents | 6(1) | \$ 48,540,378 | 21 | \$ 45,648,486 | 21 | |
| 1110 Financial assets at fair value through profit or loss - current | 6(2) | 531,190 | - | 660,155 | - | |
| 1170 Accounts receivable, net | 6(3) and 7 | 6,701,248 | 3 | 6,484,621 | 3 | |
| 1200 Other receivables | | 2,581,316 | 1 | 2,663,819 | 1 | |
| 1220 Current income tax assets | 6(31) | 1,093 | - | 7,708 | - | |
| 130X Inventories, net | 6(4) | 21,670,453 | 9 | 18,439,779 | 9 | |
| 1410 Prepayments | | 2,086,823 | 1 | 1,986,167 | 1 | |
| 1470 Other current assets | | 2,974,633 | 1 | 3,521,107 | 2 | |
| 11XX Total current Assets | | <u>85,087,134</u> | <u>36</u> | <u>79,411,842</u> | <u>37</u> | |
| Non-current assets | | | | | | |
| 1510 Financial assets at fair value through profit or loss - non-current | 6(2) | 85,480 | - | 85,480 | - | |
| 1517 Financial assets at fair value through other comprehensive income - non-current | 6(5) | 847,481 | - | 1,165,909 | - | |
| 1550 Investments accounted for using equity method | 6(6) | 8,555,500 | 4 | 8,637,199 | 4 | |
| 1600 Property, plant and equipment, net | 6(7) and 8 | 34,407,957 | 15 | 29,140,850 | 14 | |
| 1755 Right-of-use assets | 6(8) and 7 | 85,032,424 | 37 | 77,317,014 | 36 | |
| 1760 Investment property, net | 6(10) and 8 | 2,891,189 | 1 | 3,079,419 | 1 | |
| 1780 Intangible assets | 6(11) | 9,665,135 | 4 | 9,813,940 | 5 | |
| 1840 Deferred income tax assets | 6(31) | 1,966,308 | 1 | 2,058,420 | 1 | |
| 1900 Other non-current assets | 6(12) and 8 | 4,671,192 | 2 | 3,793,962 | 2 | |
| 15XX Total non-current assets | | <u>148,122,666</u> | <u>64</u> | <u>135,092,193</u> | <u>63</u> | |
| 1XXX Total assets | | <u>\$ 233,209,800</u> | <u>100</u> | <u>\$ 214,504,035</u> | <u>100</u> | |
| Liabilities and Equity | | Notes | December 31, 2022 | | December 31, 2021 | |
| | | | AMOUNT | % | AMOUNT | |
| Current Liabilities | | | | | | |
| 2100 Short-term borrowings | 6(14) | \$ 9,250,522 | 4 | \$ 5,095,702 | 2 | |
| 2130 Contract liabilities - current | 6(24) | 6,849,919 | 3 | 6,652,564 | 3 | |
| 2150 Notes payable | 7 | 2,205,192 | 1 | 2,027,808 | 1 | |
| 2170 Accounts payable | | 25,396,205 | 11 | 23,255,735 | 11 | |
| 2180 Accounts payable - related parties | 7 | 3,446,778 | 1 | 3,046,035 | 1 | |
| 2200 Other payables | 6(15) | 30,795,358 | 13 | 28,885,785 | 14 | |
| 2230 Current income tax liabilities | 6(31) | 1,897,728 | 1 | 1,410,650 | 1 | |
| 2280 Lease liabilities - current | 7 | 13,955,348 | 6 | 14,119,100 | 7 | |
| 2320 Long-term liabilities, current portion | 6(17) and 8 | 319,123 | - | 534,666 | - | |
| 2399 Other current liabilities, others | 6(16) | 3,592,908 | 2 | 3,569,973 | 2 | |
| 21XX Total current Liabilities | | <u>97,709,081</u> | <u>42</u> | <u>88,598,018</u> | <u>42</u> | |
| Non-current liabilities | | | | | | |
| 2527 Contract liabilities - non-current | 6(24) | 588,317 | - | 537,183 | - | |
| 2540 Long-term borrowings | 6(17) and 8 | 492,617 | - | 963,418 | - | |
| 2570 Deferred income tax liabilities | 6(31) | 4,919,600 | 2 | 4,923,894 | 2 | |
| 2580 Lease liabilities - non-current | 7 | 74,877,664 | 32 | 66,918,530 | 31 | |
| 2640 Net defined benefit liability - non-current | 6(18) | 3,468,256 | 1 | 4,600,348 | 2 | |
| 2670 Other non-current liabilities, others | 6(19) | 5,506,182 | 3 | 5,171,152 | 3 | |
| 25XX Total non-current liabilities | | <u>89,852,636</u> | <u>38</u> | <u>83,114,525</u> | <u>38</u> | |
| 2XXX Total Liabilities | | <u>187,561,717</u> | <u>80</u> | <u>171,712,543</u> | <u>80</u> | |
| Equity attributable to owners of the parent | | | | | | |
| Share capital | 6(20) | | | | | |
| 3110 Share capital - common stock | | 10,396,223 | 5 | 10,396,223 | 5 | |
| Capital surplus | 6(21) | | | | | |
| 3200 Capital surplus | | 87,852 | - | 86,222 | - | |
| Retained earnings | 6(22) | | | | | |
| 3310 Legal reserve | | 14,323,836 | 6 | 15,379,788 | 7 | |
| 3320 Special reserve | | 1,921,515 | 1 | 1,332,621 | 1 | |
| 3350 Unappropriated retained earnings | | 9,784,279 | 4 | 8,889,669 | 4 | |
| Other equity | 6(23) | | | | | |
| 3400 Other equity interest | | (54,625) | - | (1,921,515) | (1) | |
| 31XX Equity attributable to owners of the parent | | <u>36,459,080</u> | <u>16</u> | <u>34,163,008</u> | <u>16</u> | |
| 36XX Non-controlling interest | 6(33) | <u>9,189,003</u> | <u>4</u> | <u>8,628,484</u> | <u>4</u> | |
| 3XXX Total equity | | <u>45,648,083</u> | <u>20</u> | <u>42,791,492</u> | <u>20</u> | |
| 3X2X Total liabilities and equity | | <u>\$ 233,209,800</u> | <u>100</u> | <u>\$ 214,504,035</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 | Year ended December 31 | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------|-------|----------------|-------|
| | | 2022 | | 2021 | |
| | | AMOUNT | % | AMOUNT | % |
| 4000 Operating revenue | 6(24) and 7 | \$ 290,434,137 | 100 | \$ 262,735,464 | 100 |
| 5000 Operating costs | 6(4)(25) and 7 | (192,579,613) | (66) | (174,611,824) | (66) |
| 5900 Gross profit | | 97,854,524 | 34 | 88,123,640 | 34 |
| Operating expenses | 6(25)(26) | | | | |
| 6100 Selling expenses | | (75,158,903) | (26) | (68,230,225) | (26) |
| 6200 General and administrative expenses | | (10,351,726) | (4) | (9,150,489) | (4) |
| 6450 Expected credit losses | 12(2) | (3,877) | - | (72,995) | - |
| 6000 Total operating expenses | | (85,514,506) | (30) | (77,453,709) | (30) |
| 6900 Operating profit | | 12,340,018 | 4 | 10,669,931 | 4 |
| Non-operating income and expenses | | | | | |
| 7100 Interest income | 6(27) | 489,542 | - | 193,133 | - |
| 7010 Other income | 6(28) | 2,522,879 | 1 | 2,177,981 | 1 |
| 7020 Other gains and losses | 6(29) | (299,953) | - | (158,713) | - |
| 7050 Finance costs | 6(30) | (1,179,816) | - | (1,214,428) | - |
| 7060 Share of profit of associates and joint ventures accounted for using equity method | 6(6) | 197,311 | - | 403,791 | - |
| 7000 Total non-operating income and expenses | | 1,729,963 | 1 | 1,401,764 | 1 |
| 7900 Profit before income tax | | 14,069,981 | 5 | 12,071,695 | 5 |
| 7950 Income tax expense | 6(31) | (3,000,058) | (1) | (2,053,159) | (1) |
| 8000 Profit for the year from continuing operations | | 11,069,923 | 4 | 10,018,536 | 4 |
| 8200 Profit for the year | | \$ 11,069,923 | 4 | \$ 10,018,536 | 4 |
| Other comprehensive income (loss) | | | | | |
| 8311 Income on remeasurements of defined benefit plans | 6(18) | \$ 889,630 | - | \$ 286,740 | - |
| 8316 Unrealized (loss) gain on valuation of equity instruments at fair value through other comprehensive income | 6(5) | (318,428) | - | 206,082 | - |
| 8320 Share of other comprehensive income (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(23) | 32,296 | - | (870) | - |
| 8349 Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss | 6(31) | (183,166) | - | (52,503) | - |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss | | 420,332 | - | 439,449 | - |
| 8361 Financial statements translation differences of foreign operations | | 2,182,246 | 1 | (959,375) | - |
| 8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss | 6(23) | 37,852 | - | (8,848) | - |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss | | 2,220,098 | 1 | (968,223) | - |
| 8300 Total other comprehensive income (loss) for the year | | \$ 2,640,430 | 1 | (\$ 528,774) | - |
| 8500 Total comprehensive income for the year | | \$ 13,710,353 | 5 | \$ 9,489,762 | 4 |
| Profit attributable to: | | | | | |
| 8610 Owners of the parent | | \$ 9,281,650 | 3 | \$ 8,861,619 | 4 |
| 8620 Non-controlling interests | | 1,788,273 | 1 | 1,156,917 | - |
| | | \$ 11,069,923 | 4 | \$ 10,018,536 | 4 |
| Comprehensive income attributable to: | | | | | |
| 8710 Owners of the parent | | \$ 11,751,279 | 4 | \$ 8,431,709 | 4 |
| 8720 Non-controlling interests | | 1,959,074 | 1 | 1,058,053 | - |
| | | \$ 13,710,353 | 5 | \$ 9,489,762 | 4 |
| 9750 Basic earnings per share | 6(32) | \$ 8.93 | | \$ 8.52 | |
| 9850 Diluted earnings per share | 6(32) | \$ 8.91 | | \$ 8.51 | |

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 | Share capital - common stock | Capital surplus | Legal reserve | Equity attributable to owners of the parent | | | | | Non-controlling interest | Total equity | |
|-------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------|---------------|---------------------------------------------|----------------------------------------|-----------------|-----------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------|--|
| | | | | Retained earnings | | | Other equity interest | Financial statements translation differences of foreign operations | Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income | | |
| | | | | Special reserve | Unappropriated retained earnings | Total | | | | | |
| <u>For the year ended December 31, 2021</u> | | | | | | | | | | | |
| 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(23) | - | - | - | 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: | 6(22) | | | | | | | | | | |
| Legal reserve | - | - | 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(33) | - | - | - | (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 | |
| <u>For the year ended December 31, 2022</u> | | | | | | | | | | | |
| Balance at January 1, 2022 | \$ 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 | |
| Profit for the year | - | - | - | - | 9,281,650 | - | - | 9,281,650 | 1,788,273 | 11,069,923 | |
| Other comprehensive (loss) income for the year | 6(23) | - | - | - | 602,739 | 2,186,877 | (319,987) | 2,469,829 | 170,801 | 2,640,430 | |
| Total comprehensive income (loss) for the year | - | - | - | - | 9,884,389 | 2,186,877 | (319,987) | 11,751,279 | 1,959,074 | 13,710,353 | |
| Distribution of 2021 earnings: | 6(22) | | | | | | | | | | |
| Legal reserve | - | - | 804,972 | - | (804,972) | - | - | - | - | - | |
| Special reserve | - | - | - | 588,894 | (588,894) | - | - | - | - | - | |
| Cash dividends | - | - | (1,860,924) | - | (7,495,676) | - | - | (9,356,600) | - | (9,356,600) | |
| Non-controlling interest | - | - | - | - | - | - | - | - | (1,378,206) | (1,378,206) | |
| Overdue unclaimed cash dividend transferred to capital surplus | - | 938 | - | - | - | - | - | 938 | - | 938 | |
| Acquisition of additional equity interest in a subsidiary | 6(33) | - | - | - | (104,272) | - | - | (104,272) | (20,349) | (124,621) | |
| Adjustment of capital surplus due to associates' adjustment of capital surplus | - | 692 | - | - | - | - | - | 692 | - | 692 | |
| Disposal of financial instruments designated at fair value through other comprehensive income of associates | - | - | - | - | 4,035 | - | - | 4,035 | - | 4,035 | |
| Balance at December 31, 2022 | \$ 10,396,223 | \$ 87,852 | \$ 14,323,836 | \$ 1,921,515 | \$ 9,784,279 | (\$ 590,018) | \$ 535,393 | \$ 36,459,080 | \$ 9,189,003 | \$ 45,648,083 | |

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 | |
|-----------------------------------------------------------------------------------------|-------------|---------------------------------|---------------|
| | | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Consolidated profit before income tax for the year | | \$ 14,069,981 | \$ 12,071,695 |
| 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 | 6(2) | (5,443) | (5,496) |
| Expected credit losses | 12(2) | 3,877 | 72,995 |
| Depreciation expense | 6(7)(8)(25) | 21,518,435 | 20,394,732 |
| Amortization expense | 6(25) | 666,982 | 589,109 |
| Depreciation on investment property | 6(10)(29) | 155,016 | 154,640 |
| Finance costs | 6(30) | 1,179,816 | 1,214,428 |
| Share of profit of associates and joint ventures accounted for using equity method | 6(6) | (197,311) | (403,791) |
| Loss on disposal of property, plant and equipment, net | 6(29) | 110,907 | 8,861 |
| Gain on disposal of investments property, net | 6(29) | (29,507) | (22,549) |
| Gain from lease modification | 6(8)(29) | (116,984) | (110,469) |
| Interest income | 6(27) | (489,542) | (193,133) |
| Dividend income | 6(28) | (121,126) | (82,168) |
| Other income recognized from rent concessions | 6(8) | (86,200) | (159,576) |
| 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 | | 134,408 | 1,449,267 |
| Accounts receivable | | (220,504) | (329,027) |
| Other receivables | | 96,580 | (549,171) |
| Inventories | | (3,230,674) | (1,803,724) |
| Prepayments | | (100,656) | (807,884) |
| Other current assets | | 546,604 | (34,025) |
| Net changes in liabilities relating to operating activities | | | |
| Contract liabilities - current | | 197,355 | 1,417,767 |
| Accounts payable | | 2,541,213 | 1,244,611 |
| Notes payable | | 177,384 | 948,312 |
| Other payables | | 435,851 | 3,805,872 |
| Advance receipts | | 22,934 | 265,212 |
| Contract liabilities - non-current | | 51,134 | (26,651) |
| Net defined benefit liabilities | | (242,462) | (82,803) |
| Cash generated from operations | | 37,068,068 | 39,027,034 |
| Interest received | | 475,465 | 190,145 |
| Income tax paid | | (2,601,713) | (2,816,338) |
| Interest paid | | (1,178,862) | (1,214,269) |
| Dividend received | | 475,010 | 797,429 |
| Net cash flows from operating activities | | 34,237,968 | 35,984,001 |

| | Notes | For the years ended December 31 | |
|------------------------------------------------------------------------------|-----------|---------------------------------|---------------|
| | | 2022 | 2021 |
| 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(34) | (11,517,275) | (8,635,269) |
| Proceeds from disposal of property, plant and equipment | | 279,972 | 233,247 |
| Return of capital from financial assets at fair value through profit or loss | | - | 1,613 |
| Acquisition of investment property | 6(10) | - | (376,092) |
| Proceeds from disposal of investment property | | 37,933 | 38,554 |
| Increase in guarantee deposits paid | | (154,364) | (97,866) |
| Acquisition of intangible assets | 6(11) | (384,824) | (320,844) |
| Proceeds from business combinations | | - | 7,746 |
| Prepaid land | 6(12) | (600,000) | - |
| Decrease in other non-current assets | | (245,461) | (235,887) |
| Net cash flows used in investing activities | | (12,584,019) | (9,387,761) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in short-term borrowings | 6(35) | 4,153,610 | 392,899 |
| Decrease in short-term notes and bills payable | 6(35) | - | (3,399,147) |
| Increase in long-term borrowings | 6(35) | 259,060 | 574,926 |
| Repayment of long-term borrowings | 6(35) | (958,505) | (330,126) |
| Payments of lease liabilities | 6(8)(35) | (13,844,227) | (12,530,776) |
| Increase in guarantee deposits received | 6(35) | 278,707 | 275,571 |
| (Decrease) increase in other non-current liabilities | 6(35) | (10,483) | 187,232 |
| Change in non-controlling interests | | (28,600) | 23,696 |
| Payment of cash dividends - the company | 6(22)(35) | (9,356,600) | (9,356,600) |
| Payment of cash dividends - subsidiaries | 6(35) | (1,349,606) | (1,296,929) |
| Acquisition of additional equity interest in a subsidiary | 6(33) | (124,621) | (1,083,656) |
| Net cash flows used in financing activities | | (20,981,265) | (26,542,910) |
| Effect of foreign exchange rate changes on cash and cash equivalents | | 2,219,208 | (967,751) |
| Increase (decrease) in cash and cash equivalents | | 2,891,892 | (914,421) |
| Cash and cash equivalents at beginning of year | | 45,648,486 | 46,562,907 |
| Cash and cash equivalents at end of year | \$ | 48,540,378 | \$ 45,648,486 |

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, 2022 AND 2021

(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 23, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments that came into effect as endorsed by the FSC and became 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 |
| Amendment 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.

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

New standards, interpretations and amendments that came into effect as endorsed by FSC effective from 2023 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 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.

Upon adoption, the Group expects to recognise a deferred tax asset and liability for all deductible and taxable temporary differences associated with (1) right-of-use assets and lease liabilities, and (2) decommissioning liabilities and its corresponding right-of-use assets retrospectively as of January 1, 2022. The potential impacts of these amendments will be disclosed when the assessment is completed.

(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 |
| Amendments to IFRS 16, 'Lease liability in a sale and leaseback' | January 1, 2024 |
| 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, 2024 |
| Amendments to IAS 1, 'Non-current liabilities with covenants' | January 1, 2024 |

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies 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 that came into effect 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, 2022 | December 31, 2021 | |
| 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 | |
| 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 | 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 | |

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) | | Description |
|-------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------|-------------------|-------------------|-------------|
| | | | December 31, 2022 | December 31, 2021 | |
| 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 | |
| Capital Marketing Consultant Corp. | Uni-Capital Marketing Consultant Holding Co., Ltd. | Professional investment | 100.00 | - | (c) |
| Uni-Capital Marketing Consultant Holding Co., Ltd. | Uni-Capital Marketing Consultant Corp. | Enterprise management consultancy | 100.00 | - | (d) |
| 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 | 55.32 | 54.88 | (e) (f) |
| 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, and has control over it.

(c) The company established a new subsidiary in November 2022.

(d) The company established a new subsidiary in November 2022

(e) The Company acquired an additional 2.66% shares of the subsidiary, Philippine Seven Corp., in February and September 2021. Details are provided in Note 6 (23).

(f) The Company acquired an additional 0.44% shares of the subsidiary, Philippine Seven Corp., in October 2022. Details are provided in Note 6 (23).

- 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 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.
- 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 | 2~50 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.

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.

The above information is addressed below:

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

There is no significant uncertainty on critical judgements in applying the Group's accounting policies.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of license agreement and customer list

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets, the future possible income and expenses and the replacement costs arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause adjustments on impairment of assets. Details of impairment assessment of license agreement and customer list is provided in Note 6(11).

B. Impairment assessment of goodwill

The Group assesses impairment of goodwill based on subjective judgment which includes identifying cash-generating unit to determine recoverable amount of this unit. Details of impairment assessment of goodwill is provided in Note 6(13).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | December 31, 2022 | December 31, 2021 |
|---------------------------------------|----------------------|----------------------|
| Cash on hand and petty cash | \$ 1,483,726 | \$ 1,385,063 |
| Checking accounts and demand deposits | 17,632,283 | 16,753,260 |
| Cash equivalents | | |
| Time deposits | 23,955,017 | 23,071,796 |
| Short-term financial instruments | 5,469,352 | 4,438,367 |
| | <u>\$ 48,540,378</u> | <u>\$ 45,648,486</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, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Current items: | | |
| Beneficiary certificates | \$ 531,052 | \$ 660,092 |
| Valuation adjustment | 138 | 63 |
| | <u>\$ 531,190</u> | <u>\$ 660,155</u> |
| Non-current items: | | |
| Unlisted stocks | \$ 241,515 | \$ 241,515 |
| Valuation adjustment | (156,035) | (156,035) |
| | <u>\$ 85,480</u> | <u>\$ 85,480</u> |

A. The Group recognized net profit of \$42,432 and \$24,170 in relation to financial assets at fair value through profit or loss for the years ended December 31, 2022 and 2021, 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, 2022 | December 31, 2021 |
|---------------------------------------|---------------------|---------------------|
| Accounts receivable | \$ 6,780,096 | \$ 6,629,529 |
| Less: Allowance for doubtful accounts | (78,848) | (144,908) |
| | <u>\$ 6,701,248</u> | <u>\$ 6,484,621</u> |

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

| | December 31, 2022 | December 31, 2021 |
|-----------------|---------------------|---------------------|
| Not past due | \$ 6,607,707 | \$ 6,264,349 |
| Up to 90 days | 167,057 | 358,791 |
| 91 to 180 days | 4,825 | 5,211 |
| 181 to 365 days | 404 | 1,071 |
| Over 365 days | 103 | 107 |
| | <u>\$ 6,780,096</u> | <u>\$ 6,629,529</u> |

The above aging analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable were all from contracts with customers.

And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$6,215,272.

C. As at December 31, 2022 and 2021, 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 \$6,701,248, and \$6,484,621, respectively.

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

(4) Inventories

| | December 31, 2022 | | |
|-----------------------------------|----------------------|------------------------------|----------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials and work in process | \$ 113,954 | \$ - | \$ 113,954 |
| Merchandise and finished goods | 21,690,254 | (133,755) | 21,556,499 |
| | <u>\$ 21,804,208</u> | <u>(\$ 133,755)</u> | <u>\$ 21,670,453</u> |

| | 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> |

The cost of inventories recognized as expense for the year:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Cost of goods sold and service costs | \$ 190,332,073 | \$ 172,287,708 |
| Loss on valuation of inventories | 43,607 | 2,379 |
| Spoilage | 1,867,006 | 1,996,239 |
| Others | 336,927 | 325,498 |
| | <u>\$ 192,579,613</u> | <u>\$ 174,611,824</u> |

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

| | December 31, 2022 | December 31, 2021 |
|---------------------------|-------------------|---------------------|
| Equity instruments | | |
| Listed stocks | \$ 265,606 | \$ 265,606 |
| Unlisted stocks | 4,348 | 4,348 |
| | <u>269,954</u> | <u>269,954</u> |
| Valuation adjustment | 577,527 | 895,955 |
| | <u>\$ 847,481</u> | <u>\$ 1,165,909</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 \$847,481 and \$1,165,909 as at December 31, 2022 and 2021, 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, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Equity instruments at fair value through other comprehensive income | | |
| Fair value change recognized in other comprehensive income | (\$ 318,428) | \$ 206,082 |
| Dividend income recognized in profit or loss | \$ 84,137 | \$ 63,494 |

C. As at December 31, 2022 and 2021, 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 \$847,481 and \$1,165,909, 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, 2022 | December 31, 2021 |
|-------------------------------------------|---------------------|---------------------|
| <u>Associates</u> | | |
| PresiCarre Corp. | \$ 4,868,968 | \$ 5,077,087 |
| President Fair Development Corp. | 2,177,267 | 2,123,492 |
| Uni-President Development Corp. | 778,387 | 757,554 |
| President International Development Corp. | 469,939 | 447,310 |
| Tung Ho Development Corp. | 55,640 | 60,012 |
| Uni-President Organics Corp. | 49,668 | 47,293 |
| President Technology Corp. | 27,583 | 26,723 |
| | <u>8,427,452</u> | <u>8,539,471</u> |
| <u>Joint ventures</u> | | |
| Mister Donut Taiwan Co., Ltd. | \$ 128,048 | \$ 97,728 |
| | <u>\$ 8,555,500</u> | <u>\$ 8,637,199</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, 2022 | For the year ended December 31, 2021 |
|------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Profit for the year from continuing operations | \$ 158,334 | \$ 394,430 |
| Other comprehensive income (loss)-net of tax | 70,431 | (9,661) |
| Total comprehensive income | <u>\$ 228,765</u> | <u>\$ 384,769</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, 2022 | For the year ended December 31, 2021 |
|------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Profit for the year from continuing operations | \$ 38,977 | \$ 9,361 |
| Other comprehensive loss-net of tax | (283) | (57) |
| Total comprehensive income | <u>\$ 38,694</u> | <u>\$ 9,304</u> |

(7) Property, plant and equipment

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

| | 2022 | | | | | | |
|-------------------------------------------|---------------------|---------------------|--------------------------|----------------------|------------------------|---------------------|----------------------|
| | Land | Buildings | Transportation equipment | Operating equipment | Leasehold improvements | Others | Total |
| At January 1 | | | | | | | |
| 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> |
| Opening net book amount as of January 1 | \$ 2,895,060 | \$ 2,256,305 | \$ 2,331,419 | \$ 10,272,212 | \$ 7,744,847 | \$ 3,641,007 | \$ 29,140,850 |
| Additions | 1,400,309 | 5,415 | 398,173 | 4,933,873 | 3,905,422 | 2,238,630 | 12,881,822 |
| Disposals | - | - | (17,788) | (202,952) | (151,162) | (18,977) | (390,879) |
| Transfer | 122,437 | 6,212 | 296,858 | 133,534 | 108,876 | (648,028) | 19,889 |
| Depreciation charge | - | (164,624) | (545,990) | (3,114,284) | (2,275,614) | (1,200,834) | (7,301,346) |
| Net exchange differences | 328 | 2,948 | 882 | 10,281 | 13,986 | 29,196 | 57,621 |
| Closing net book amount as of December 31 | <u>\$ 4,418,134</u> | <u>\$ 2,106,256</u> | <u>\$ 2,463,554</u> | <u>\$ 12,032,664</u> | <u>\$ 9,346,355</u> | <u>\$ 4,040,994</u> | <u>\$ 34,407,957</u> |
| At December 31 | | | | | | | |
| Cost | \$ 4,422,066 | \$ 4,912,426 | \$ 7,848,113 | \$ 29,352,582 | \$ 24,538,350 | \$ 13,231,880 | \$ 84,305,417 |
| Accumulated depreciation and impairment | (3,932) | (2,806,170) | (5,384,559) | (17,319,918) | (15,191,995) | (9,190,886) | (49,897,460) |
| | <u>\$ 4,418,134</u> | <u>\$ 2,106,256</u> | <u>\$ 2,463,554</u> | <u>\$ 12,032,664</u> | <u>\$ 9,346,355</u> | <u>\$ 4,040,994</u> | <u>\$ 34,407,957</u> |
| | 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> |

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, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| | Carrying amount | Carrying amount |
| Land | \$ 1,106,348 | \$ 872,178 |
| Buildings | 83,901,999 | 76,378,170 |
| Machinery and equipment | 5,746 | 13,168 |
| Other equipment | 18,331 | 53,498 |
| | \$ 85,032,424 | \$ 77,317,014 |

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| | Depreciation charge | Depreciation charge |
| Land | \$ 162,715 | \$ 145,825 |
| Buildings | 14,011,269 | 13,209,015 |
| Machinery and equipment | 7,422 | 18,836 |
| Other equipment | 35,683 | 36,677 |
| | \$ 14,217,089 | \$ 13,410,353 |

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$23,597,096 and \$18,585,257, respectively.

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

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| | Items affecting profit or loss | |
| Interest expense on lease liabilities | \$ 1,024,104 | \$ 1,058,881 |
| Expense on short-term lease contracts | 435,045 | 377,509 |
| Expense on leases of low-value assets | 138,832 | 118,439 |
| Expense on variable lease payments | 538,066 | 433,512 |
| Gain on sublease of right-of-use assets | 577,375 | 517,284 |
| Gain from lease modification | 116,984 | 110,469 |

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases was \$15,980,274 and \$14,519,117, 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 3.29% and 2.82% as at December 31, 2022 and 2021, 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 \$5,381 and \$4,335 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, amounted to \$4,056,564 and \$3,635,849, 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 \$86,200 and \$159,576, as at other income for the years ended December 31, 2022 and 2021, 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, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------|-----------------------------------------|-----------------------------------------|
| Rental revenue | \$ 1,562,655 | \$ 1,431,017 |
| Rental revenue from variable lease payments | \$ 1,201,713 | \$ 1,066,192 |

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

| | December 31, 2022 | December 31, 2021 |
|---------------|-------------------|-------------------|
| Within 1 year | \$ 257,142 | \$ 251,736 |
| 1~2 years | 147,314 | 171,188 |
| 2~3 years | 123,977 | 87,998 |
| 3~4 years | 95,692 | 71,486 |
| 4~5 years | 79,040 | 51,267 |
| Over 5 years | 97,428 | 107,555 |
| | \$ 800,593 | \$ 741,230 |

(10) Investment property

| | 2022 | | | | | |
|---------------------|--------------|------------|---------------------|-------|--|-----------|
| | Land | Buildings | Right-of-use assets | Total | | |
| At January 1 | \$ 1,400,611 | \$ 431,642 | \$ 1,247,166 | \$ | | 3,079,419 |
| Disposals | (7,207) | (1,219) | - | (| | 8,426) |
| Transfer | (22,414) | (2,374) | - | (| | 24,788) |
| Depreciation charge | - | (16,442) | (138,574) | (| | 155,016) |
| At December 31 | \$ 1,370,990 | \$ 411,607 | \$ 1,108,592 | \$ | | 2,891,189 |

| | 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 |

A. The fair value of the investment property held by the Group ranged from \$5,838,730 to \$6,000,833 as at December 31, 2022 and 2021, 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 1.14% 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

| | 2022 | | | | | Total |
|-------------------------------------------|-------------------|---------------------|----------------------------------------|-------------------|---------------------|-------|
| | Software | Goodwill | License agreement and customer list | Others | | |
| At January 1 | | | | | | |
| 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> | |
| Opening net book amount as of January 1 | \$ 541,671 | \$ 2,198,674 | \$ 6,748,253 | \$ 325,342 | \$ 9,813,940 | |
| Additions | 349,695 | - | - | 35,129 | 384,824 | |
| Transfer | 18,109 | - | - | - | 18,109 | |
| Amortization expense | (306,228) | - | (194,159) | (58,637) | (559,024) | |
| Net exchange differences | 1,685 | 5,601 | - | - | 7,286 | |
| Closing net book amount as of December 31 | <u>\$ 604,932</u> | <u>\$ 2,204,275</u> | <u>\$ 6,554,094</u> | <u>\$ 301,834</u> | <u>\$ 9,665,135</u> | |
| At December 31 | | | | | | |
| Cost | \$ 2,702,212 | \$ 2,204,275 | \$ 7,524,890 | \$ 599,891 | \$ 13,031,268 | |
| Accumulated amortization and impairment | (2,097,280) | - | (970,796) | (298,057) | (3,366,133) | |
| | <u>\$ 604,932</u> | <u>\$ 2,204,275</u> | <u>\$ 6,554,094</u> | <u>\$ 301,834</u> | <u>\$ 9,665,135</u> | |
| | 2021 | | | | | Total |
| | Software | Goodwill | License agreement and customer list | Others | | |
| 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> | |

A. Amortization expense on intangible assets are recognized as operating expenses.

B. Impairment information about the intangible assets is provided in Note 6(13).

(12) Other non-current assets

| | December 31, 2022 | December 31, 2021 |
|-------------------------|---------------------|---------------------|
| Guarantee deposits paid | \$ 3,359,090 | \$ 3,204,856 |
| Prepaid land | 600,000 | - |
| Others | 712,102 | 589,106 |
| | <u>\$ 4,671,192</u> | <u>\$ 3,793,962</u> |

The Group signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for approximately \$6,000,000 on September 27, 2022. The transaction will be paid in four installments. The first installment had been paid as of December 31, 2022.

(13)Impairment of non-financial assets

A. There were neither impairment loss nor reversal of impairment loss recognized for the years ended December 31, 2022 and 2021.

B. The Group performs impairment testing on license agreement and customer list annually. The recoverable amount has been determined based on value-in-use and replacement cost calculations. The calculations of value-in-use use after-tax cash flow projections based on financial budgets approved by the management. The calculations of replacement cost use the actual selling expense. The recoverable amount calculated using the value-in-use and the replacement cost exceeded their carrying amount, so license agreement and customer list was not impaired. The key assumptions used for value-in-use calculations are as follows:
Operating profit rate: Estimated based on the estimated value provided by the underlying company. The operating profit rate for the years ended December 31, 2022 and 2021 were 6.95% to 7.11% and 6.98% to 11.76%, respectively.

C. The Group performs impairment testing on goodwill 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 rates for the years ended December 31, 2022 and 2021 were 6.66% to 13.47%.

(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, 2022 and 2021 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, 2022 | Interest rate range | Collateral |
|--------------------|-------------------|---------------------|------------|
| Bank borrowings | | | |
| Credit loan | \$ 9,250,522 | 1.24%~2.10% | None |
| | | | |
| Type of borrowings | December 31, 2021 | Interest rate range | Collateral |
| Bank borrowings | | | |
| Credit loan | \$ 5,095,702 | 0.38%~3.465% | None |

There was no capitalization of borrowing costs for the years ended December 31, 2022 and 2021. Relevant interest expense on borrowings is recognized as "finance costs".

(15)Other payables

| | December 31, 2022 | December 31, 2021 |
|------------------------------------------------------------------------|-------------------|-------------------|
| Store collections | \$ 12,745,952 | \$ 13,807,553 |
| Wages, salaries and bonus payable | 5,655,203 | 4,863,210 |
| Payables for acquisition of property, plant and equipment | 2,750,519 | 1,385,972 |
| Sales receipt on behalf of others | 1,266,851 | 1,845,686 |
| Incentive bonus payable to franchisees | 1,143,698 | 1,017,454 |
| Employees' compensation and remuneration for directors and supervisors | 799,080 | 748,684 |
| Payables for labor and health insurance | 326,038 | 283,912 |
| Rent payable | 68,875 | 82,287 |
| Others | 6,039,142 | 4,851,027 |
| | \$ 30,795,358 | \$ 28,885,785 |

(16) Other current liabilities

| | December 31, 2022 | December 31, 2021 |
|----------------------------------------|---------------------|---------------------|
| Advance receipts of deposits | \$ 1,826,832 | \$ 1,685,635 |
| Advance receipts for gift certificates | 1,474,459 | 1,476,380 |
| Others | 291,617 | 407,958 |
| | <u>\$ 3,592,908</u> | <u>\$ 3,569,973</u> |

(17) Long-term borrowings

| Type of borrowings | Interest rate range | Collateral | December 31, 2022 |
|---------------------------|---------------------|-------------------------------|-------------------|
| Long-term bank borrowings | | | |
| Credit loan | 4.40% | None | \$ 172,207 |
| Secured borrowings | 1.91%~2.35% | Property, plant and equipment | 639,533 |
| | | | 811,740 |
| Less: Current portion | | | (319,123) |
| | | | <u>\$ 492,617</u> |
| 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 |
| | | | 1,498,084 |
| Less: Current portion | | | (534,666) |
| | | | <u>\$ 963,418</u> |

There was no capitalization of borrowing costs for the above period. Relevant interest expense on borrowings is recognized as "finance costs".

(18) 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, 2022 | December 31, 2021 |
|----------------------------------------------|-----------------------|-----------------------|
| Present value of defined benefit obligations | (\$ 6,510,777) | (\$ 7,426,014) |
| Fair value of plan assets | 3,042,521 | 2,825,666 |
| Net defined benefit liability | <u>(\$ 3,468,256)</u> | <u>(\$ 4,600,348)</u> |

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

| | 2022 | | |
|-----------------------------------------------------------------------------------------|----------------------------------------------|---------------------------|-------------------------------|
| | Present value of defined benefit obligations | Fair value of plan assets | Net defined benefit liability |
| At January 1 | (\$ 7,426,014) | \$ 2,825,666 | (\$ 4,600,348) |
| Current service cost | (76,655) | - | (76,655) |
| Interest (expense) income | (53,561) | 18,855 | (34,706) |
| Past service cost | (779) | - | (779) |
| | (7,557,009) | 2,844,521 | (4,712,488) |
| Remeasurements: | | | |
| Return on plan assets (not including the amount included in interest income or expense) | - | 215,853 | 215,853 |
| Change in demographic assumptions | (605) | - | (605) |
| Change in financial assumptions | 597,116 | - | 597,116 |
| Experience adjustments | 77,266 | - | 77,266 |
| | 673,777 | 215,853 | 889,630 |
| Pension fund contribution | - | 332,882 | 332,882 |
| Paid pension | 372,455 | (350,735) | 21,720 |
| | 372,455 | (17,853) | 354,602 |
| At December 31 | (\$ 6,510,777) | \$ 3,042,521 | (\$ 3,468,256) |
| | 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) |

(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, 2022 and 2021 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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Discount rate | 1.30%~7.66% | 0.55%~4.95% |
| 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% |
| <u>December 31, 2022</u> | | | | |
| Effect on present value of defined benefit obligation | (\$ 165,756) | \$ 171,122 | \$ 172,816 | (\$ 165,586) |

| | | | | |
|--------------------------|--------------|------------|------------|--------------|
| <u>December 31, 2021</u> | (\$ 207,068) | \$ 216,274 | \$ 212,459 | (\$ 203,474) |
|--------------------------|--------------|------------|------------|--------------|

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, 2023 amount to \$236,301.

(f) As of December 31, 2022, the weighted average duration of the retirement plan is 7~23 years. The analysis of timing of the future pension payment was as follows:

| | |
|---------------|---------------|
| Within 1 year | \$ 195,758 |
| 1-2 year(s) | 250,677 |
| 2-5 years | 942,143 |
| Over 5 years | 12,875,249 |
| | \$ 14,263,827 |

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, 2022 and 2021 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, 2022 and 2021 were \$1,053,569 and \$994,271, respectively.

(19) Other non-current liabilities

| | December 31, 2022 | December 31, 2021 |
|-----------------------------------------|---------------------------|---------------------------|
| Guarantee deposit received | \$ 4,326,458 | \$ 4,044,359 |
| Provision for decommissioning liability | 707,761 | 644,347 |
| Others | 471,963 | 482,446 |
| | <hr/> <u>\$ 5,506,182</u> | <hr/> <u>\$ 5,171,152</u> |

(20) Share capital

As of December 31, 2022, the Company's authorized capital was \$10,500,000, consisting of 1,050,000 thousand 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, 2022 and January 1, 2022.

(21) 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.

(22) 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 reverse 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 2021 and 2020 were resolved by the shareholders on May 26, 2022 and July 16, 2021, respectively, as follows:

| | 2021 | | 2020 | |
|------------------------------------|------------|-------------------------------------|--------------|-------------------------------------|
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 804,972 | | \$ 1,010,560 | |
| Special reserve appropriated | 588,894 | | 952,434 | |
| Cash dividends - Retained earnings | 7,495,676 | \$ 7.21 | 9,356,600 | \$ 9.00 |
| Cash dividends - Legal reserve | 1,860,924 | 1.79 | - | - |

E. The appropriations for 2022 as resolved by the Board of Directors on February 23, 2023 is as follows:

| | 2022 | |
|------------------------------------|--------------|-------------------------------------|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 978,415 | |
| Reversal of special reserve | (1,866,890) | |
| Cash dividends - Retained earnings | 9,356,600 | \$ 9.00 |

(23) Other equity items

| | 2022 | | |
|-----------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------|
| | 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 | (\$ 2,776,895) | \$ 855,380 | (\$ 1,921,515) |
| Revaluation and transfer | | | |
| – Group | - (318,428) | (318,428) | |
| – Associates | - (372) | (372) | |
| Revaluation-tax | - (1,187) | (1,187) | |
| Currency translation differences: | | | |
| – Group | 2,149,915 | - | 2,149,915 |
| – Associates | 36,962 | - | 36,962 |
| At December 31 | <u>(\$ 590,018)</u> | <u>\$ 535,393</u> | <u>(\$ 54,625)</u> |

| | 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 | <u>(\$ 2,776,895)</u> | <u>\$ 855,380</u> | <u>(\$ 1,921,515)</u> |

(24) Operating revenue

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------|-----------------------------------------|-----------------------------------------|
| Revenue from contracts with customers | \$ 290,434,137 | \$ 262,735,464 |

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, 2022 | Convenience stores | Retail business group | Logistics business group | Others | Total |
|-----------------------------------------|-----------------------|--------------------------|-----------------------------|----------------------|-----------------------|
| Timing of revenue recognition | | | | | |
| – At a point in time | \$ 180,291,067 | \$ 69,567,552 | \$ 11,336 | \$ 22,317,140 | \$ 272,187,095 |
| – Over time | 912,922 | 14,180,808 | 2,253,665 | 899,647 | 18,247,042 |
| | <u>\$ 181,203,989</u> | <u>\$ 83,748,360</u> | <u>\$ 2,265,001</u> | <u>\$ 23,216,787</u> | <u>\$ 290,434,137</u> |
| 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 |
| | <u>\$ 166,789,975</u> | <u>\$ 73,116,782</u> | <u>\$ 2,114,514</u> | <u>\$ 20,714,193</u> | <u>\$ 262,735,464</u> |

B. Contract liabilities

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

| | December 31, 2022 | December 31, 2021 | January 1, 2021 |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Contract liabilities – advance receipts of gift certificates and gift payments | \$ 4,598,978 | \$ 4,599,304 | \$ 3,430,999 |
| Contract liabilities – customer loyalty programs | 1,223,582 | 977,909 | 807,168 |
| Contract liabilities – members' deposits | 888,700 | 843,002 | 804,373 |
| Contract liabilities – franchise fee | 441,384 | 405,485 | 429,578 |
| Contract liabilities – others | 285,592 | 364,047 | 326,513 |
| | <u>\$ 7,438,236</u> | <u>\$ 7,189,747</u> | <u>\$ 5,798,631</u> |

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$5,383,661 and \$3,763,871 for the years ended December 31, 2022 and 2021, respectively.

(25) Expenses by nature

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Net cost of goods sold | \$ 171,603,930 | \$ 154,252,629 |
| Employee benefit expenses | 27,823,955 | 25,824,995 |
| Incentive bonuses for franchisees | 24,418,945 | 22,365,078 |
| Depreciation and amortization | 22,185,417 | 20,983,841 |
| Utilities expenses | 5,242,963 | 4,506,578 |
| Operating lease payments | 1,111,943 | 929,460 |
| Other costs and expenses | 25,706,966 | 23,202,952 |
| Total operating costs and operating expenses | <u>\$ 278,094,119</u> | <u>\$ 252,065,533</u> |

(26) Employee benefit expense

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------|-----------------------------------------|-----------------------------------------|
| Wages and salaries | \$ 22,758,168 | \$ 21,053,234 |
| Labor and health insurance fees | 2,229,419 | 2,140,642 |
| Pension costs | 1,165,709 | 1,103,233 |
| Other personnel expenses | 1,670,659 | 1,527,886 |
| | <u>\$ 27,823,955</u> | <u>\$ 25,824,995</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, 2022 and 2021, employees' compensation was accrued at \$497,571 and \$455,764, respectively; while directors' and supervisors' remuneration was accrued at \$166,237 and \$152,269, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46%, respectively, of distributable profit of the current year for the year ended December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$497,571 and \$166,237, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2021 financial statements and the employees' compensation distributed in the 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.

(27) Interest income

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------|-----------------------------------------|-----------------------------------------|
| Interest income | \$ 489,542 | \$ 193,133 |

(28) Other income

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Grants income | \$ 864,376 | \$ 706,712 |
| Rental revenue | 280,292 | 289,421 |
| Dividend income | 121,126 | 82,168 |
| Other income recognized from rent concessions | 86,200 | 159,576 |
| Others | 1,170,885 | 940,104 |
| | \$ 2,522,879 | \$ 2,177,981 |

(29) Other gains and losses

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Gain from lease modification | \$ 116,984 | \$ 110,469 |
| Gain on disposal of investment property | 29,507 | 22,549 |
| Loss on disposal of property, plant and equipment | (110,907) | (8,861) |
| Depreciation of investment property | (155,016) | (154,640) |
| Other gains and losses | (180,521) | (128,230) |
| | (\$ 299,953) | (\$ 158,713) |

(30) Finance costs

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest expense on lease liabilities | \$ 1,024,104 | \$ 1,058,881 |
| Financial expense, others | 155,712 | 155,547 |
| | \$ 1,179,816 | \$ 1,214,428 |

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Current tax: | | |
| Current tax on profit for the year | \$ 3,116,874 | \$ 2,608,392 |
| Over provision of prior year's income tax | (21,468) | (35,842) |
| Total current tax | 3,095,406 | 2,572,550 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | (95,348) | (519,391) |
| Income tax expense | \$ 3,000,058 | \$ 2,053,159 |

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

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|--------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Remeasurement of defined benefit obligations | \$ 181,979 | \$ 59,598 |
| Changes in fair value of financial assets at fair value through other comprehensive income | 1,187 | (7,095) |
| | \$ 183,166 | \$ 52,503 |

B. Reconciliation between income tax expense and accounting profit

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Tax calculated based on profit before tax and statutory tax rate | \$ 3,703,855 | \$ 3,042,067 |
| Expenses disallowed by tax regulation | (679,265) | (950,210) |
| Over provision of prior year's income tax | (21,468) | (35,842) |
| Effect from investment tax credits | (5,178) | (4,482) |
| Separate taxation | 2,114 | 1,626 |
| Income tax expense | \$ 3,000,058 | \$ 2,053,159 |

The difference between the Group's accounting income and taxable income in 2022 and 2021 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:

| | 2022 | | | |
|--------------------------------------------|----------------|---------------------------------|------------------------------------------------|----------------|
| | January 1 | Recognized in profit or loss | Recognized in other comprehensive income | December 31 |
| <u>Deferred tax assets</u> | | | | |
| Allowance for doubtful accounts | \$ 28,773 | \$ 78 | \$ - | \$ 28,851 |
| Unrealized sales allowance | 8,159 | (837) | - | 7,322 |
| Loss on inventory market value decline | 25,090 | 10,972 | - | 36,062 |
| Unrealized expenses | 832,760 | 70,856 | - | 903,616 |
| Book-tax difference of pension | 143,766 | (5,343) | - | 138,423 |
| Remeasurements of the defined benefit plan | 793,404 | - | (181,979) | 611,425 |
| Others | 226,468 | 14,141 | - | 240,609 |
| | 2,058,420 | 89,867 | (181,979) | 1,966,308 |
| <u>Deferred tax liabilities</u> | | | | |
| Unrealized gain | (1,385,350) | 39,150 | (1,187) | (1,347,387) |
| Foreign investment income | (3,538,544) | (33,669) | - | (3,572,213) |
| | (4,923,894) | 5,481 | (1,187) | (4,919,600) |
| | (\$ 2,865,474) | \$ 95,348 | (\$ 183,166) | (\$ 2,953,292) |

| | 2021 | | | | | |
|--------------------------------------------|----------------|---------------------------------|------------------------------------------------|----------------|--|--|
| | January 1 | Recognized 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) | | |

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

| December 31, 2022 | | | | | |
|-------------------|--------------------------|---------------|-------------------------------------|--------------|--|
| Year incurred | Amount filed assessed | Unused amount | Unrecognized deferred tax assets | Usable until | |
| 2013~2022 | \$ 2,660,284 | \$ 2,660,284 | \$ 2,660,284 | 2023~2032 | |
| 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 | |

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

| | December 31, 2022 | December 31, 2021 |
|----------------------------------|-------------------|-------------------|
| Deductible temporary differences | \$ 34,005 | \$ 48,415 |

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(32)Earnings per share

| | For the year ended December 31, 2022 | | |
|------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------|------------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Earnings per share (in dollars) |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 9,281,650 | 1,039,622 | \$ 8.93 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 9,281,650 | 1,039,622 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 2,119 | |
| Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares | \$ 9,281,650 | 1,041,741 | \$ 8.91 |

| | 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 parent plus assumed conversion of all dilutive potential ordinary shares | \$ 8,861,619 | 1,041,626 | \$ 8.51 |

(33) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

For the years ended December 31, 2022 and 2021, the Group acquired an additional 0.44% and 2.66% shares of the subsidiary Philippine Seven Corp., for total cash considerations of \$124,621 and \$1,083,656, respectively. The carrying amount of non-controlling interest were \$20,349 and \$113,844 at the acquisition dates. These transactions resulted in decreases in the non-controlling interest by \$20,349 and \$113,844, and decreases in the equity attributable to owners of the parent by \$104,272 and \$969,812. The effects of changes in interests in Philippine Seven Corp. on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is as follows:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Carrying amount of non-controlling interest acquired | \$ 20,349 | \$ 113,844 |
| Consideration paid to non-controlling interest | (124,621) | (1,083,656) |
| Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount (Decrease in "Retained earnings") | (\$ 104,272) | (\$ 969,812) |

(34) Supplemental cash flow information

Investing activities with partial cash payments

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Purchase of property, plant and equipment | \$ 12,881,822 | \$ 8,666,122 |
| Add: Opening balance of payable on equipment | 1,385,972 | 1,355,119 |
| Less: Ending balance of payable on equipment | (2,750,519) | (1,385,972) |
| Cash paid during the year | \$ 11,517,275 | \$ 8,635,269 |

(35) Changes in liabilities from financing activities

| | 2022 | | | | | | |
|------------------------------------------------|--------------------------|---------------------|-------------------------|----------------------|-----------------------------------|-------------------------------------|---------------------------------------------------|
| | Short-term borrowings | Dividend payable | Long-term borrowings | Lease liabilities | Guarantee deposits received | Other non-current liabilities | Total liabilities from financing activities |
| At January 1 | \$ 5,095,702 | \$ - | \$ 963,418 | \$ 81,037,630 | \$ 4,044,359 | \$ 1,126,793 | \$ 92,267,902 |
| Changes in cash flow from financing activities | 4,153,610 | (10,706,206) | (699,445) | (13,844,227) | 278,707 | (10,483) | (20,828,044) |
| Interest paid (Note) | - | - | - | (1,024,104) | - | - | (1,024,104) |
| Impact of changes in foreign exchange rate | 1,210 | - | 7,614 | 127,838 | 3,392 | - | 140,054 |
| Changes in other non-cash items | - | 10,706,206 | 221,030 | 22,535,875 | - | 63,414 | 33,526,525 |
| At December 31 | \$ 9,250,522 | \$ - | \$ 492,617 | \$ 88,833,012 | \$ 4,326,458 | \$ 1,179,724 | \$ 104,082,333 |

| | 2021 | | | | | | | | Total liabilities from financing activities |
|------------------------------------------------|--------------------------|------------------------------------------|---------------------|-------------------------|----------------------|-----------------------------------|-------------------------------------|----------------------|---------------------------------------------------------|
| | Short-term borrowings | Short-term notes and bills payable | Dividend payable | Long-term borrowings | Lease liabilities | Guarantee deposits received | Other non-current liabilities | | |
| 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 | <u>\$ 5,095,702</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 963,418</u> | <u>\$ 81,037,630</u> | <u>\$ 4,044,359</u> | <u>\$ 1,126,793</u> | <u>\$ 92,267,902</u> | |

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, 2022.

(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 |
| Tait Marketing & Distribution Co., Ltd. | " |
| President Packaging Industrial Corp. | " |
| President Tokyo Corp. | " |
| President Natural Industrial Corp. | " |
| Kai Ya Food Co., Ltd. | Sub-subsidiary of ultimate parent company |
| Tung Ang Enterprises Corp. | " |
| Lien Bo Corp. | " |
| Zhenzhou President Enterprises Co., Ltd. | " |
| President (Kunshan) Trading Co., Ltd. | " |
| Shanghai Songjiang President Enterprises Co., Ltd. | " |
| Uni-President (Shanghai) Pearly Century 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 Corp. | " |
| Prince Housing Development Corp. | " |
| President Securities Corp. | " |
| Tong Zhan Co., 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, 2022 | For the year ended December 31, 2021 |
|--------------------------|-----------------------------------------|-----------------------------------------|
| <u>Sales of goods</u> | | |
| Ultimate parent company | \$ 618,401 | \$ 580,856 |
| Associates | 183,859 | 142,495 |
| Sister companies | 434,793 | 399,612 |
| Other related parties | 61,953 | 65,075 |
| <u>Sales of services</u> | | |
| Ultimate parent company | 18,056 | 18,392 |
| Associates | 111,731 | 103,168 |
| Sister companies | 22,089 | 19,791 |
| Other related parties | 5,861 | 5,829 |
| | \$ 1,456,743 | \$ 1,335,218 |

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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 18,200,654 | \$ 16,588,820 |
| Associates | 614,421 | 503,376 |
| Sister companies | 6,908,526 | 5,960,397 |
| Other related parties | 2,367,520 | 1,912,283 |
| | \$ 28,091,121 | \$ 24,964,876 |

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

C. Receivables from related parties

| | December 31, 2022 | December 31, 2021 |
|----------------------------|-------------------|-------------------|
| <u>Accounts receivable</u> | | |
| Ultimate parent company | \$ 314,296 | \$ 235,402 |
| Associates | 85,334 | 75,122 |
| Sister companies | 120,317 | 103,812 |
| Other related parties | 6,649 | 4,065 |
| | \$ 526,596 | \$ 418,401 |

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, 2022 | December 31, 2021 |
|-------------------------------------------|-------------------|-------------------|
| <u>Notes payable and accounts payable</u> | | |
| Ultimate parent company | \$ 2,095,348 | \$ 1,904,475 |
| Associates | 232,560 | 191,718 |
| Sister companies | 880,858 | 722,538 |
| Other related parties | 409,435 | 358,245 |
| | \$ 3,618,201 | \$ 3,176,976 |

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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 115,169 | \$ 92,071 |
| Sister companies | 44,390 | 26,178 |
| Other related parties | - | 66,990 |
| | <u>\$ 159,559</u> | <u>\$ 185,239</u> |

(c) Lease expenses

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 566 | \$ 1,437 |
| Associates | 74,053 | 58,166 |
| Sister companies | 18,033 | 19,531 |
| Other related parties | 5,335 | 4,735 |
| | <u>\$ 97,987</u> | <u>\$ 83,869</u> |

(d) Lease liabilities

| | December 31, 2022 | December 31, 2021 |
|-------------------------|---------------------|---------------------|
| Ultimate parent company | \$ 133,229 | \$ 89,503 |
| Associates | 2,880,561 | 3,267,710 |
| Sister companies | 191,401 | 204,633 |
| Other related parties | 440,008 | 488,239 |
| | <u>\$ 3,645,199</u> | <u>\$ 4,050,085</u> |

F. Property transactions

| | Accounts | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------|-------------------------------|-----------------------------------------|-----------------------------------------|
| Associates | Intangible assets | \$ 104,306 | \$ 118,842 |
| Sister companies | " | 1,600 | 950 |
| Associates | Property, plant and equipment | 24,125 | 20,247 |
| Sister companies | " | 495 | - |
| | | <u>\$ 130,526</u> | <u>\$ 140,039</u> |

(4) Key management compensation

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------------------|-----------------------------------------|-----------------------------------------|
| Short-term employee benefits | \$ 521,673 | \$ 507,229 |

8. PLEDGED ASSETS

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

| Pledged assets | Book value | | Purpose |
|--------------------------------------------------------------------------------------------|---------------------|---------------------|------------------------------------------------|
| | December 31, 2022 | December 31, 2021 | |
| Land | \$ 218,675 | \$ 218,675 | Guarantee facilities and performance guarantee |
| Buildings | 23,229 | 29,561 | Long-term borrowings and guarantee facilities |
| Transportation equipment | 822,881 | 804,633 | Long-term borrowings |
| Investment property | 56,687 | 56,792 | Performance guarantee |
| Pledged time deposits (Recognized as "Other non-current assets - guarantee deposits paid") | 95,454 | 113,337 | Performance guarantee |
| | <u>\$ 1,216,926</u> | <u>\$ 1,222,998</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, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------|----------------------|----------------------|
| <u>Financial assets</u> | | |
| Financial assets at fair value through profit or loss | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 616,670 | \$ 745,635 |
| Financial assets at fair value through other comprehensive income | | |
| Designation of equity instrument | \$ 847,481 | \$ 1,165,909 |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | \$ 48,540,378 | \$ 45,648,486 |
| Accounts receivable, net | 6,701,248 | 6,484,621 |
| Other receivables | 2,581,316 | 2,663,819 |
| Other current assets (Note) | 1,868,589 | 2,003,411 |
| Guarantee deposits paid | 3,359,220 | 3,204,856 |
| Other non-current assets (Note) | 33,886 | 32,519 |
| | <u>\$ 63,084,637</u> | <u>\$ 60,037,712</u> |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortized cost | | |
| Short-term borrowings | \$ 9,250,522 | \$ 5,095,702 |
| Notes payable | 2,205,192 | 2,027,808 |
| Accounts payable (including related parties) | 28,842,983 | 26,301,770 |
| Other payables | 30,795,358 | 28,885,785 |
| Long-term borrowings (including current portion) | 811,740 | 1,498,084 |
| Guarantee deposits received | 4,326,458 | 4,044,359 |
| | <u>\$ 76,232,253</u> | <u>\$ 67,853,508</u> |
| Lease liabilities | <u>\$ 88,833,012</u> | <u>\$ 81,037,630</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, 2022 | | | December 31, 2021 | | |
|-----------------------------------------|----------------------------------------|---------------|------------------|----------------------------------------|---------------|------------------|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| Financial assets | | | | | | |
| Monetary items | | | | | | |
| USD : NTD | \$ 9,101 | 30.7100 | \$ 279,492 | \$ 1,347 | 27.6800 | \$ 37,285 |
| RMB : NTD | 1,524 | 4.4516 | 6,784 | 2,797 | 4.3549 | 12,181 |
| JPY : NTD | 15,319 | 0.2324 | 3,560 | 32,411 | 0.2405 | 7,795 |
| HKD : NTD | 999 | 3.9364 | 3,932 | 1,028 | 3.5503 | 3,650 |
| EUR : NTD | 28 | 32.7200 | 916 | 165 | 31.3200 | 5,168 |
| Non-monetary items | | | | | | |
| JPY : NTD | \$ 897,600 | 0.2324 | \$ 208,602 | \$ 842,700 | 0.2405 | \$ 202,669 |
| Financial liabilities | | | | | | |
| Monetary items | | | | | | |
| USD : NTD | \$ 3,824 | 30.7100 | \$ 117,435 | \$ 4,018 | 27.6800 | \$ 111,218 |
| RMB : NTD | 191 | 4.4516 | 850 | 2,189 | 4.3549 | 9,533 |
| JPY : NTD | 145,673 | 0.2324 | 33,854 | 111,934 | 0.2405 | 26,920 |

IV. Total exchange gain or loss, including realized and unrealized from significant foreign exchange variations on monetary items held by the Group amounted to (\$21,743) and \$13,582 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 would increase/decrease by \$8,103 and \$3,697, 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, 2022 and 2021 would increase/decrease by \$8,915 and \$9,177, 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, 2022 and 2021 would have increased/decreased by \$5,602 and \$5,924, 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 \$42,374 and \$58,295, 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, 2022 and 2021, 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, 2022 and 2021 would have decreased/increased by \$2,029 and \$3,745, 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:

| | 2022 | | 2021 | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Accounts receivable | Accounts receivable | Accounts receivable | Accounts receivable |
| At January 1 | \$ | 144,908 | \$ | 107,485 |
| Provision for impairment | | 3,877 | | 72,995 |
| Write-offs | (| 69,158) | (| 25,654) |
| Effect of foreign exchange | (| 779) | (| 9,918) |
| At December 31 | \$ | 78,848 | \$ | 144,908 |

- VI. The Group has no written-off financial assets that are still under recourse procedures on December 31, 2022 and 2021.

(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 \$531,190 and \$660,155 as at December 31, 2022 and 2021, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.
- III. The Group has undrawn borrowing facilities of \$30,441,614 and \$17,260,589 as of December 31, 2022 and 2021, 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 approximate to book value, maturing within one year, and except for guarantee deposit received, maturing above three years, the amounts disclosed in the table are the contractual undiscounted cash flows.

| Non-derivative financial liabilities: | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Over 3 years |
|--------------------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| December 31, 2022 | | | | |
| Short-term borrowings | \$ 9,296,238 | \$ - | \$ - | \$ - |
| Lease liabilities | 14,834,803 | 14,396,123 | 12,869,805 | 50,337,549 |
| Long-term borrowings (including current portion) | 340,482 | 176,018 | 137,789 | 198,955 |

| Non-derivative financial liabilities: | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Over 3 years |
|--------------------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| December 31, 2021 | | | | |
| 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 |

- V. The Group neither expected 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, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

| | December 31, 2022 | | | |
|--|-------------------|------------|---------|---------|
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |

Financial assets:

| | | | | |
|-------------------------|--------------|------|------|--------------|
| Guarantee deposits paid | \$ 3,359,220 | \$ - | \$ - | \$ 3,287,721 |
|-------------------------|--------------|------|------|--------------|

Financial liabilities:

| | | | | |
|-----------------------------|--------------|------|------|--------------|
| Guarantee deposits received | \$ 4,326,458 | \$ - | \$ - | \$ 4,214,719 |
|-----------------------------|--------------|------|------|--------------|

| | 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 |
|-----------------------------|--------------|------|------|--------------|

(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, 2022 | Level 1 | Level 2 | Level 3 | Total |
|-------------------|---------|---------|---------|-------|
|-------------------|---------|---------|---------|-------|

Assets

Recurring fair value measurements

Financial assets at fair value through profit or loss

| | | | | |
|--------------------------|------------|------|--------|------------|
| Beneficiary certificates | \$ 531,190 | \$ - | \$ - | \$ 531,190 |
| Equity securities | - | - | 85,480 | 85,480 |
| | 531,190 | - | 85,480 | 616,670 |

Financial assets at fair value through other comprehensive income

| | | | | |
|-------------------|--------------|------|-----------|--------------|
| Equity securities | 843,133 | - | 4,348 | 847,481 |
| | \$ 1,374,323 | \$ - | \$ 89,828 | \$ 1,464,151 |

| 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 |

(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, 2022 and 2021, there was no transfer between Level 1 and Level 2. | | | |
| F. For the years ended December 31, 2022 and 2021, 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, 2022 | 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 | 2.42 | 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, 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 |

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, 2022 and 2021.

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, 2022 | | | | | |
|--------------------------------------------------------------|--------------------------------------|-----------------------|--------------------------|--------------------------|----------------------------|-----------------|
| | Convenience stores | Retail business group | Logistics business group | Other operating segments | Adjustment and elimination | Total |
| External revenue (net) | \$ 181,203,989 | \$ 83,748,360 | \$ 2,265,001 | \$ 23,216,787 | \$ - | \$ 290,434,137 |
| Internal department revenue | 1,668,414 | 3,428,491 | 17,491,223 | 9,579,896 | (32,168,024) | - |
| Total segment revenue | \$ 182,872,403 | \$ 87,176,851 | \$ 19,756,224 | \$ 32,796,683 | (\$ 32,168,024) | \$ 290,434,137 |
| Segment income (loss) | \$ 10,722,264 | \$ 4,617,786 | \$ 1,421,951 | \$ 905,213 | (\$ 3,597,233) | \$ 14,069,981 |
| Depreciation and amortization | (\$ 12,071,298) | (\$ 5,252,661) | (\$ 1,414,493) | (\$ 3,315,501) | (\$ 131,464) | (\$ 22,185,417) |
| Gain (loss) on investments accounted for using equity method | \$ 3,409,883 | (\$ 67,394) | \$ 163,134 | \$ 49,460 | (\$ 3,357,772) | \$ 197,311 |
| Income tax expense | (\$ 1,440,614) | (\$ 1,055,902) | (\$ 248,869) | (\$ 293,506) | \$ 38,833 | (\$ 3,000,058) |
| Interest income | \$ 43,869 | \$ 59,650 | \$ 8,316 | \$ 377,975 | (\$ 268) | \$ 489,542 |
| Interest expense | (\$ 433,240) | (\$ 535,380) | (\$ 47,284) | (\$ 167,284) | \$ 3,372 | (\$ 1,179,816) |

| | 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) |

(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, 2022 | For the year ended December 31, 2021 |
|--------------------------------------------------|--|--------------------------------------|--------------------------------------|
| Convenience stores(including foreign subsidiary) | | \$ 218,521,901 | \$ 195,805,352 |
| Sales of daily items | | 26,113,002 | 25,800,275 |
| Delivery service | | 12,836,419 | 13,057,999 |
| Restaurants | | 14,983,004 | 12,032,832 |
| Gas station | | 10,827,791 | 9,532,281 |
| Logistics service | | 2,265,001 | 2,114,514 |
| Others | | 4,887,019 | 4,392,211 |
| | | \$ 290,434,137 | \$ 262,735,464 |

(6) Geographical information

As of and for the years ended December 31, 2022 and 2021, the information on geographic area is as follows:

| | 2022 | | 2021 | |
|--------|----------------|--------------------|----------------|--------------------|
| | Revenue | Non-current assets | Revenue | Non-current assets |
| Taiwan | \$ 248,245,454 | \$ 125,761,167 | \$ 228,480,604 | \$ 112,821,706 |
| Others | 42,188,683 | 10,906,730 | 34,254,860 | 10,323,479 |
| | \$ 290,434,137 | \$ 136,667,897 | \$ 262,735,464 | \$ 123,145,185 |

(7) Major customer information

No customers constituted more than 10% of the Group's total revenue for the years ended December 31, 2022 and 2021.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Loans to others

Table 1

For the year ended December 31, 2022
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, 2022 | Balance at December 31, 2022 | 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 | \$ 48,000 | \$ 48,000 | \$ 48,000 | 0.85% | Short-term financing | \$ - | - Additional operating capital | \$ - | None | \$ - | \$ 302,029 | \$ 302,029 | |

Note 1: 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, 2022
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, 2022 | | | | 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 | 634,531 | 2.79 | 634,531 | |
| President Chain Store Corp. | Duskin Co., Ltd. | None | " | 300,000 | 208,602 | 0.61 | 208,602 | |
| 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. | UPAMC James Bond Money Market Fund | None | Financial assets at fair value through profit or loss – current | 1,180,491 | \$20,005 | - | \$20,005 | |
| Chieh Shun Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | 2,325,497 | 32,011 | - | 32,011 | |
| Uni-President Department Store Corp. | Jih Sun Money Market Fund | " | " | 8,651,751 | 130,389 | - | 130,389 | |
| President Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | 295,248 | 5,003 | - | 5,003 | |
| President Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | 3,597,260 | 49,517 | - | 49,517 | |
| President Pharmaceutical Corp. | Jih Sun Money Market Fund | " | " | 79,164 | 1,193 | - | 1,193 | |
| President Pharmaceutical Corp. | Taishin 1699 Money Market Fund | " | " | 10,393,748 | 143,072 | - | 143,072 | |
| President Drugstore Business Corp. | Taishin 1699 Money Market Fund | " | " | 10,897,045 | 150,000 | - | 150,000 | |

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, 2022
 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, 2022 | | Addition | | Disposal | | | Other increase (decrease) | | Balance as at December 31, 2022 | | |
|----------------------------------------------------|----------------------------------------------------|------------------------|-----------------------------------|--------------------------------|-------------------------------|------------|------------------|--------------|------------------|---------------|--------------|---------------------------|------------------|---------------------------------|------------------|------------|
| | | | | | 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: | | | | | | | | | | | | | | | | |
| Uni-President Department Store Corp. | Jih Sun Money Market Fund | Note 1 | Not applicable | Not applicable | 2,266,034 | \$ 33,961 | 232,141,455 | \$ 3,489,209 | 225,755,738 | \$ 3,393,359 | \$ 3,392,781 | \$ 578 | - | \$ 8,651,751 | \$ 130,389 | |
| President Information Corp. | FSITC Taiwan Money Market Fund | " | " | " | - | - | 31,007,739 | 480,000 | 31,007,739 | 480,317 | 480,000 | 317 | - | - | - | |
| President Information Corp. | UPAMC James Bond Money Market Fund | " | " | " | - | - | 24,122,927 | 407,500 | 24,122,927 | 407,864 | 407,500 | 364 | - | - | - | |
| Q-ware Systems & Services Corp. | Eastspring Investments Well Pool Money Market Fund | " | " | " | 28,384,280 | 390,000 | 46,394,863 | 638,000 | 74,779,143 | 1,028,719 | 1,028,000 | 719 | - | - | - | |
| Q-ware Systems & Services Corp. | Jih Sun Money Market Fund | " | " | " | - | - | 18,769,754 | 282,000 | 18,769,754 | 282,875 | 282,000 | 875 | - | - | - | |
| Books.com. Co., Ltd. | Union Money Market Fund | " | " | " | - | - | 173,256,403 | 2,315,000 | 173,256,403 | 2,315,611 | 2,315,000 | 611 | - | - | - | |
| Books.com. Co., Ltd. | Yunta Wan Tai Money Market Fund | " | " | " | - | - | 62,299,681 | 955,000 | 62,299,681 | 955,298 | 955,000 | 298 | - | - | - | |
| Chieh Shun Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | " | 474,208 | 8,001 | 29,648,831 | 501,000 | 28,942,548 | 489,080 | 489,000 | 80 | - | 4 | 1,180,491 | 20,005 |
| Chieh Shun Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | " | 1,462,234 | 20,001 | 31,141,098 | 427,000 | 30,277,835 | 415,126 | 415,000 | 126 | - | 10 | 2,325,497 | 32,011 |
| President Drugstore Business Corp. | Taishin 1699 Money Market Fund | " | " | " | - | - | 250,775,409 | 3,440,000 | 239,878,364 | 3,290,554 | 3,290,000 | 554 | - | - | 10,897,045 | 150,000 |
| President Pharmaceutical Corp. | Taishin 1699 Money Market Fund | " | " | " | 4,986,489 | 68,208 | 79,125,667 | 1,084,800 | 73,718,408 | 1,010,347 | 1,010,017 | 330 | - | 81 | 10,393,748 | 143,072 |
| President Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | " | 296,389 | 5,001 | 26,422,175 | 446,500 | 26,423,316 | 446,568 | 446,499 | 69 | - | 1 | 295,248 | 5,003 |
| President Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | " | 1,462,234 | 20,001 | 30,794,071 | 422,500 | 28,659,045 | 393,108 | 393,000 | 108 | - | 16 | 3,597,260 | 49,517 |
| Stock: | | | | | | | | | | | | | | | | |
| President Chain Store (Hong Kong) Holdings Limited | President Chain Store (Shanghai) Ltd. | Note 2 | Issuance of common stock for cash | Parent company to subsidiary | - | \$ 293,362 | - | \$ 356,130 | - | \$ - | \$ - | \$ - | - | (\$ 290,533) | - | \$ 358,899 |

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, 2022
Expressed in thousands of NTD
(Except as otherwise indicated)

| Acquiring company | 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. | Hsinhui Section, Anle Dist., Keelung City | November 3, 2021 | \$ 763,960 | 100% of price was paid | Shun Chuan Warehousing Co., Ltd. | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Note 1 | Based on the comprehensive planning of the company | Not applicable |
| President Chain Store Corp. | No.240, Biliu Section, Beitun Dist., Taichung City | July 27, 2022 | 726,288 | 100% of price was paid | Natural Person | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Note 2 | Based on the comprehensive planning of the company | Not applicable |
| President Chain Store Corp. | Taoyuan Aerotropolis Industry Area | July 28, 2022 | 6,000,000 | The first installment of 600 million was paid | Taoyuan City Government and Civil Aeronautics Administration | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Based on the market conditions. (Note 3) | Based on the comprehensive planning of the company | Not applicable |

Note 1: Based on the appraisal results of Evermore Appraisers Firm (Appraisal amount \$778,631) and market conditions.

Note 2: Based on the appraisal results of Decision Internation Real Estate Appraiser Joint Office (Appraisal amount \$634,214) and market conditions.

Note 3: Public tendering land from Taoyuan City Government and Civil Aeronautics Administration.

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, 2022
 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 | \$ 17,304,860 | 14 | Net 30~40 days from the end of the month when invoice is issued | No significant differences | No significant differences | (\$ 1,527,970) | (8) | |
| | Uni-President Superior Commissary Corp. | Subsidiary | " | 4,509,030 | 4 | Net 45 days from the end of the month when invoice is issued | " | " | (840,084) | (4) | |
| | Tung Ang Enterprises Corp. | Sister company | " | 2,301,043 | 2 | Net 30 days from the end of the month when invoice is issued | " | " | (187,207) | (1) | |
| | 21 Century Co., Ltd. | Subsidiary | " | 1,024,131 | 1 | Net 30~60 days from the end of the month when invoice is issued | " | " | (188,314) | (1) | |
| | President Pharmaceutical Corp. | " | " | 824,169 | 1 | Net 60~70 days from the end of the month when invoice is issued | " | " | (162,922) | (1) | |
| | Kai Ya Food Co., Ltd. | Sister company | " | 785,595 | 1 | Net 40 days from the end of the month when invoice is issued | " | " | (118,228) | (1) | |
| | Tait Marketing & Distribution Co., Ltd. | " | " | 684,936 | 1 | Net 20~70 days from the end of the month when invoice is issued | " | " | (115,496) | (1) | |
| | Lien Bo Corp. | " | " | 683,912 | 1 | Net 10~54 days from the end of the month when invoice is issued | " | " | (101,094) | (1) | |
| | Q-ware Systems & Services Corp. | Subsidiary | " | 675,507 | 1 | Net 40 days from the end of the month when invoice is issued | " | " | (134,200) | (1) | |
| | President Packaging Industrial Corp. | Sister company | " | 527,060 | - | Net 15~60 days from the end of the month when invoice is issued | " | " | (103,063) | (1) | |
| | President Transnet Corp. | Subsidiary | " | 504,162 | - | Net 60 days from the end of the month when invoice is issued | " | " | (87,481) | - | |
| | Kuang Chuan Dairy Co., Ltd. | Other related party | " | 453,868 | - | Net 30~65 days from the end of the month when invoice is issued | " | " | (125,320) | (1) | |
| | Wei Lih Food Industrial Co., Ltd. | " | " | 268,244 | - | Net 30~60 days from the end of the month when invoice is issued | " | " | (44,067) | - | |
| | ICASH Corp. | Subsidiary | " | 204,594 | - | Net 60 days from the end of the month when invoice is issued | " | " | (34,904) | - | |
| | President Drugstore Business Corp. | " | " | 150,069 | - | Net 30~60 days from the end of the month when invoice is issued | " | " | (39,335) | - | |
| | Mister Donut Taiwan Co., Ltd. | joint venture | " | 113,862 | - | Net 55~60 days from the end of the month when invoice is issued | " | " | (26,129) | - | |
| Capital Marketing Consultant Corp. | President Chain Store Corp. | Parent company | Service revenue | (270,408) | (72) | Net 45~65 days from the end of the month when invoice is issued | " | " | 57,533 | 68 | |
| Chieh Shun Logistics International Corp. | President Logistics International Corp. | " | Delivery revenue | (1,546,396) | (67) | Net 20 days from the end of the month when invoice is issued | " | " | 137,951 | 49 | |
| | President Transnet Corp. | Subsidiary of President Chain Store Corp. | " | (699,436) | (30) | Net 40 days from the end of the month when invoice is issued | " | " | 136,766 | 49 | |
| President Transnet Corp. | Chieh Shun Logistics International Corp. | " | Service cost | 699,436 | 7 | Net 40 days from the end of the month when invoice is issued | " | " | (136,766) | (6) | |
| | President Chain Store Corp. | Parent company | Sales revenue | (504,162) | (57) | Net 60 days from the end of the month when invoice is issued | " | " | 87,481 | 5 | |
| | President Collect Service Corp. | Subsidiary of President Chain Store Corp. | Service revenue | (259,166) | (2) | Net 30 days from the end of the month when invoice is issued | " | " | 28,853 | - | |
| | Books.com. Co., Ltd. | " | " | (110,993) | (1) | Net 30 days from the end of the month when invoice is issued | " | " | 8,966 | - | |
| Uni-Wonder Corp. | Uni-President Enterprises Corp. | Ultimate parent company | Purchases | 484,691 | 8 | Net 30 days from the end of the month when invoice is issued | " | " | (50,921) | (6) | |
| | Tong Zhan Corporation Ltd. | Other related party | " | 1,254,436 | 21 | Net 25 days from the end of the month when invoice is issued | " | " | (147,387) | (16) | |

| 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) | |
| | Retail Support International Corp. | Subsidiary of President Chain Store Corp. | " | \$ 276,691 | 5 | Net 29 days from the end of the month when invoice is issued | No significant differences | No significant differences | (\$ 27,246) (3) | | |
| | Tait Marketing & Distribution Co., Ltd. | Other related party | " | 182,323 | 3 | Net 30 days from the end of the month when invoice is issued | " | " | (38,123) (4) | | |
| | Kai Ya Food Co., Ltd. | " | " | 103,042 | 2 | Net 30 days from the end of the month when invoice is issued | " | " | (21,683) (2) | | |
| President Information Corp. | President Chain Store Corp. | Parent company | Service revenue | (1,139,968) (64) | Net 30 days from the end of the month when invoice is issued | " | " | " | 235,884 | 62 | |
| | Uni-Wonder Corp. | Subsidiary of President Chain Store Corp. | " | (113,726) (6) | Net 45 days from the end of the month when invoice is issued | " | " | " | 20,645 | 5 | |
| | President Transnet Corp. | " | " | (100,898) (6) | Net 45 days from the end of the month when invoice is issued | " | " | " | 25,578 | 7 | |
| President Logistics International Corp. | Chieh Shun Logistics International Corp. | Subsidiary | Service cost | 1,546,396 | 39 | Net 20 days from the end of the month when invoice is issued | " | " | (137,951) (32) | | |
| | Retail Support International Corp. | Parent company | Delivery revenue | (966,564) (23) | Net 20 days from the end of the month when invoice is issued | " | " | " | 94,622 | 21 | |
| | Uni-President Cold-Chain Corp. | Subsidiary of President Chain Store Corp. | " | (1,374,879) (33) | Net 20 days from the end of the month when invoice is issued | " | " | " | 135,743 | 31 | |
| | Wisdom Distribution Service Corp. | " | " | (1,520,093) (37) | Net 20 days from the end of the month when invoice is issued | " | " | " | 174,633 | 40 | |
| Retail Support International Corp. | President Logistics International Corp. | Subsidiary | Service cost | 966,564 | 49 | Net 20 days from the end of the month when invoice is issued | " | " | (94,622) (46) | | |
| | Retail Support Taiwan Corp. | " | " | 322,597 | 16 | Net 15~20 days from the end of the month when invoice is issued | " | " | (25,632) (13) | | |
| | Uni-Wonder Corp. | Subsidiary of President Chain Store Corp. | Delivery revenue | (276,691) (8) | Net 29 days from the end of the month when invoice is issued | " | " | " | 27,246 | 11 | |
| Uni-President Cold-Chain Corp. | President Logistics International Corp. | " | Service cost | 1,374,879 | 39 | Net 20 days from the end of the month when invoice is issued | " | " | (135,743) (2) | | |
| Wisdom Distribution Service Corp. | President Logistics International Corp. | " | " | 1,520,093 | 40 | Net 20 days from the end of the month when invoice is issued | " | " | (174,633) (38) | | |
| | Books.com. Co., Ltd. | " | Service revenue | (301,652) (7) | Net 30~90 days from the end of the month when invoice is issued | " | " | " | 29,544 | 39 | |
| Q-ware Systems & Services Corp. | President Chain Store Corp. | Parent company | " | (675,507) (42) | Net 40 days from the end of the month when invoice is issued | " | " | " | 134,200 | 53 | |
| President Drugstore Business Corp. | President Pharmaceutical Corp. | Subsidiary of President Chain Store Corp. | Purchases | 560,835 | 5 | Net 70 days from the end of the month when invoice is issued | " | " | (26,288) (1) | | |
| | President Chain Store Corp. | Parent company | Sales revenue | (150,069) (1) | Net 30~60 days from the end of the month when invoice is issued | " | " | " | 39,335 | 7 | |
| | President Fair Development Corp. | Other related party | Purchases | 157,830 | 1 | Net 30 days from the end of the month when invoice is issued | " | " | (47,883) (3) | | |
| | Uni-President Enterprises Corp. | Ultimate parent company | " | 100,909 | 1 | Net 30~60 days from the end of the month when invoice is issued | " | " | (4,339) | - | |
| President Pharmaceutical Corp. | President Drugstore Business Corp. | Subsidiary of President Chain Store Corp. | Sales revenue | (560,835) (25) | Net 70 days from the end of the month when invoice is issued | " | " | " | 26,288 | 5 | |
| | President Chain Store Corp. | Parent company | " | (824,169) (37) | Net 60~70 days from the end of the month when invoice is issued | " | " | " | 162,922 | 31 | |
| Uni-President Superior Commissary Corp. | President Chain Store Corp. | " | " | (4,509,030) (96) | Net 45 days from the end of the month when invoice is issued | " | " | " | 840,084 | 95 | |
| | Uni-President Enterprises Corp. | Ultimate parent company | Purchases | 217,303 | 7 | Net 60 days from the end of the month when invoice is issued | " | " | (45,292) (5) | | |
| | Koasa Yamako Corp. | Other related party | " | 247,843 | 8 | Net 60 days from the end of the month when invoice is issued | " | " | (64,246) (7) | | |
| 21 Century Co., Ltd. | Subsidiary of President Chain Store Corp. | Sales revenue | (147,757) (3) | Net 60 days from the end of the month when invoice is issued | " | " | " | 37,708 | 4 | | |
| 21 Century Co., Ltd. | President Chain Store Corp. | Parent company | " | (1,024,131) (50) | Net 30~60 days from the end of the month when invoice is issued | " | " | " | 188,314 | 62 | |

| 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) | |
| | Uni-President Superior Commissary Corp. | Subsidiary of President Chain Store Corp. | Purchases | \$ 147,757 | 11 | Net 60 days from the end of the month when invoice is issued | No significant differences | No significant differences | (\$ 37,708) | (11) | |
| Retail Support Taiwan Corp. | Retail Support International Corp. | Parent company | Delivery revenue | (322,597) | (93) | Net 15-20 days from the end of the month when invoice is issued | " | " | 25,632 | 79 | |
| Duskin Serve Taiwan Co., Ltd. | President Chain Store Corp. | " | Service revenue | (282,323) | (17) | Net 15-60 days from the end of the month when invoice is issued | " | " | 58,506 | 26 | |
| Zhejiang Uni-Champion Logistics Development Co., Ltd. | Shanghai President Logistics Co., Ltd. | " | Delivery revenue | (111,306) | (23) | Net 80 days from the end of the month when invoice is issued | " | " | 30,189 | 34 | |
| Shanghai President Logistics Co., Ltd. | Zhejiang Uni-Champion Logistics Development Co., Ltd. | Subsidiary | Service cost | 111,306 | 17 | Net 80 days from the end of the month when invoice is issued | " | " | (30,189) | (27) | |
| President Logistic ShanDong Co., Ltd. | Shan Dong President Yinzuo Commercial Limited | Subsidiary of President Chain Store Corp. | Delivery revenue | (123,122) | (93) | Net 30 days from the end of the month when invoice is issued | " | " | 10,513 | 86 | |
| Shan Dong President Yinzuo Commercial Limited | President Logistic ShanDong Co., Ltd. | " | Service cost | 123,122 | 6 | Net 30 days from the end of the month when invoice is issued | " | " | (10,513) | (2) | |
| ICASH Corp. | President Chain Store Corp. | Parent company | Sales revenue | (204,594) | (24) | Net 60 days from the end of the month when invoice is issued | " | " | 34,904 | 32 | |
| | President Chain Store Corp. | " | Service revenue | (184,997) | (22) | Net 60 days from the end of the month when invoice is issued | " | " | 26,543 | 24 | |
| President Collect Service Corp. | President Transnet Corp. | Subsidiary of President Chain Store Corp. | Service cost | 259,166 | 93 | Net 30 days from the end of the month when invoice is issued | " | " | (28,853) | (100) | |

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, 2022
Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as of December 31, 2022 | 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 | \$ 235,884 | 4.22 | \$ - | None | \$ 114,674 | \$ - |
| Uni-President Superior Commissary Corp. | President Chain Store Corp. | " | 840,084 | 5.81 | - | " | 418,252 | - |
| Q-ware Systems & Services Corp. | President Chain Store Corp. | " | 134,200 | 5.38 | - | " | 74,050 | - |
| President Pharmaceutical Corp. | President Chain Store Corp. | " | 162,922 | 6.05 | - | " | 39,694 | - |
| 21 Century Co., Ltd. | President Chain Store Corp. | " | 188,314 | 5.87 | - | " | 164,723 | - |
| President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary of President Chain Store Corp. | 174,633 | 8.56 | - | " | - | - |
| President Logistics International Corp. | Uni-President Cold-Chain Corp. | " | 135,743 | 11.04 | - | " | - | - |
| Chieh Shun Logistics International Corp. | President Logistics International Corp. | " | 137,951 | 11.32 | - | " | - | - |
| Chieh Shun Logistics International Corp. | President Transnet Corp. | " | 136,766 | 5.16 | - | " | 48,571 | - |

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods

Table 7

For the year ended December 31, 2022
 Expressed in thousands of NTD
 (Except as otherwise indicated)

| 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 | (\$ 565,886) | 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 | (270,408) | Net 45~60 days from the end of the month when invoice is issued | | 0.09 |
| 3 | President Information Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (1,139,968) | Net 30 days from the end of the month when invoice is issued | | 0.39 |
| 3 | President Information Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 235,884 | Net 30 days from the end of the month when invoice is issued | | 0.10 |
| 3 | President Information Corp. | Uni-Wonder Corp. | Subsidiary to subsidiary | Service revenue | (113,726) | Net 45 days from the end of the month when invoice is issued | | 0.04 |
| 3 | President Information Corp. | President Transnet Corp. | Subsidiary to subsidiary | Service revenue | (100,898) | Net 45 days from the end of the month when invoice is issued | | 0.03 |
| 4 | Q-ware Systems & Services Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (675,507) | Net 40 days from the end of the month when invoice is issued | | 0.23 |
| 4 | Q-ware Systems & Services Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 134,200 | Net 40 days from the end of the month when invoice is issued | | 0.06 |
| 5 | Uni-President Superior Commissary Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (4,509,030) | Net 45 days from the end of the month when invoice is issued | | 1.55 |
| 5 | Uni-President Superior Commissary Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 840,084 | Net 45 days from the end of the month when invoice is issued | | 0.36 |
| 5 | Uni-President Superior Commissary Corp. | 21 Century Co., Ltd. | Subsidiary to subsidiary | Sales revenue | (147,757) | Net 60 days from the end of the month when invoice is issued | | 0.05 |
| 6 | President Pharmaceutical Corp. | President Drugstore Business Corp. | Subsidiary to subsidiary | Sales revenue | (560,835) | Net 70 days from the end of the month when invoice is issued | | 0.19 |
| 6 | President Pharmaceutical Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (824,169) | Net 60~70 days from the end of the month when invoice is issued | | 0.28 |
| 6 | President Pharmaceutical Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 162,922 | Net 60~70 days from the end of the month when invoice is issued | | 0.07 |
| 7 | President Transnet Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (504,162) | Net 60 days from the end of the month when invoice is issued | | 0.17 |
| 7 | President Transnet Corp. | President Collect Service Corp. | Subsidiary to subsidiary | Service revenue | (259,166) | Net 30 days from the end of the month when invoice is issued | | 0.09 |
| 7 | President Transnet Corp. | Books.com. Co., Ltd. | Subsidiary to subsidiary | Service revenue | (110,993) | Net 30 days from the end of the month when invoice is issued | | 0.04 |
| 8 | Chieh Shun Logistics International Corp. | President Logistics International Corp. | Subsidiary to subsidiary | Delivery revenue | (1,546,396) | Net 20 days from the end of the month when invoice is issued | | 0.53 |
| 8 | Chieh Shun Logistics International Corp. | President Logistics International Corp. | Subsidiary to subsidiary | Accounts receivable | 137,951 | 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 | Delivery revenue | (699,436) | Net 40 days from the end of the month when invoice is issued | | 0.24 |
| 8 | Chieh Shun Logistics International Corp. | President Transnet Corp. | Subsidiary to subsidiary | Accounts receivable | 136,766 | Net 40 days from the end of the month when invoice is issued | | 0.06 |
| 9 | President Logistics International Corp. | Retail Support International Corp. | Subsidiary to subsidiary | Delivery revenue | (966,564) | Net 20 days from the end of the month when invoice is issued | | 0.33 |
| 9 | President Logistics International Corp. | Uni-President Cold-Chain Corp. | Subsidiary to subsidiary | Delivery revenue | (1,374,879) | Net 20 days from the end of the month when invoice is issued | | 0.47 |
| 9 | President Logistics International Corp. | Uni-President Cold-Chain Corp. | Subsidiary to subsidiary | Accounts receivable | 135,743 | Net 20 days from the end of the month when invoice is issued | | 0.06 |
| 9 | President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary to subsidiary | Delivery revenue | (1,520,093) | Net 20 days from the end of the month when invoice is issued | | 0.52 |
| 9 | President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary to subsidiary | Accounts receivable | 174,633 | Net 20 days from the end of the month when invoice is issued | | 0.07 |
| 10 | Duskin Serve Taiwan Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (282,323) | Net 15~60 days from the end of the month when invoice is issued | | 0.10 |

| Number | Company name | Counterparty | Relationship | Transaction | | | | Percentage of consolidated total operating revenues or total assets |
|--------|------------------------------------------------------|-----------------------------------------------|------------------------------|------------------------|----------------|-----------------------------------------------------------------|--|---------------------------------------------------------------------|
| | | | | General ledger account | Amount | Transaction terms | | |
| 11 | 21 Century Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (\$ 1,024,131) | Net 30~60 days from the end of the month when invoice is issued | | 0.35 |
| 11 | 21 Century Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 188,314 | 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 | (301,652) | Net 30~90 days from the end of the month when invoice is issued | | 0.10 |
| 13 | Retail Support Taiwan Corp. | Retail Support International Corp. | Subsidiary to subsidiary | Delivery revenue | (322,597) | Net 15~20 days from the end of the month when invoice is issued | | 0.11 |
| 14 | Zhejiang Uni-Champion Logistics Development Co., Ltd | Shanghai President Logistics Co., Ltd. | Subsidiary to subsidiary | Delivery revenue | (111,306) | Net 80 days from the end of the month when invoice is issued | | 0.04 |
| 15 | President Logistic ShanDong Co., Ltd. | Shan Dong President Yinzuo Commercial Limited | Subsidiary to subsidiary | Delivery revenue | (123,122) | Net 30 days from the end of the month when invoice is issued | | 0.04 |
| 16 | ICASH Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (204,594) | Net 60 days from the end of the month when invoice is issued | | 0.07 |
| 16 | ICASH Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (184,997) | Net 60 days from the end of the month when invoice is issued | | 0.06 |
| 17 | Retail Support International Corp. | Uni-Wonder Corp. | Subsidiary to subsidiary | Delivery revenue | (276,691) | Net 29 days from the end of the month when invoice is issued | | 0.10 |
| 18 | President Drugstore Business Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (150,069) | Net 30~60 days from the end of the month when invoice is issued | | 0.05 |

Note: Transaction among the company and subsidiaries with amount over NTD\$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, 2022
 Expressed in thousands of NTD
 (Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2022 | | | Book value | Net profit (loss) of the investee for the year ended December 31, 2022 | Investment income (loss) recognized by the Company for the year ended December 31, 2022 | Footnote |
|-----------------------------|---------------------------------------------------------------|------------------------|-------------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|---------------|------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| | | | | Balance as at December 31, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | | | | | |
| 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 | \$ 25,442,996 | \$ 289,665 | \$ 289,665 | 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 | 1,797,884 | 321,609 | 321,610 | Subsidiary | |
| President Chain Store Corp. | President Transnet Corp. | Taiwan | Delivery service | 711,576 | 711,576 | 103,496,399 | 70.00 | 2,376,245 | 1,344,193 | 940,936 | 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 | 820,340 | 189,426 | 153,191 | 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 | 715,589 | 133,164 | 98,195 | Subsidiary | |
| President Chain Store Corp. | Uni-President Department Store Corp. | Taiwan | Department stores | 840,000 | 840,000 | 27,999,999 | 70.00 | 484,090 | 156,673 | 109,671 | Subsidiary | |
| President Chain Store Corp. | Uni-President Superior Commissary Corp. | Taiwan | Fresh food manufacture | 520,141 | 520,141 | 48,519,890 | 90.00 | 567,811 | 74,093 | 66,837 | 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 | 1,022,870 | 429,821 | 257,892 | Subsidiary | |
| President Chain Store Corp. | President Information Corp. | Taiwan | Enterprise information management and consultancy | 320,741 | 320,741 | 25,714,475 | 86.00 | 513,883 | 96,422 | 82,923 | Subsidiary | |
| President Chain Store Corp. | Q-ware Systems & Services Corp. | Taiwan | Information software services | 332,482 | 332,482 | 24,382,921 | 86.76 | 420,994 | 114,572 | 99,510 | Subsidiary | |
| President Chain Store Corp. | Wisdom Distribution Service Corp. | Taiwan | Logistics and storage of publication and e-commerce | 50,000 | 50,000 | 40,591,436 | 100.00 | 904,525 | 359,919 | 359,808 | Subsidiary | |
| President Chain Store Corp. | Books.com Co., Ltd. | Taiwan | Retail business without shop | 100,400 | 100,400 | 9,999,999 | 50.03 | 317,655 | 214,956 | 107,522 | Subsidiary | |
| President Chain Store Corp. | President Lanyang Art Corporation | Taiwan | Art and cultural exhibition | 20,000 | 20,000 | 2,000,000 | 100.00 | 24,834 | (55) | (55) | 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 | 237,178 | 203,833 | 103,955 | Subsidiary | |
| President Chain Store Corp. | ICASH Corp. | Taiwan | Electronic ticketing and electronic payment | 700,000 | 700,000 | 70,000,000 | 100.00 | 418,981 | (51,550) | (51,550) | 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 | 778,387 | 190,928 | 38,185 | Note | |
| President Chain Store Corp. | Uni-Wonder Corp. | Taiwan | Coffee chain store | 3,286,206 | 3,286,206 | 21,382,674 | 60.00 | 4,941,483 | 699,227 | 326,340 | Subsidiary | |
| President Chain Store Corp. | Retail Support International Corp. | Taiwan | Room-temperature logistics and warehousing | 91,414 | 91,414 | 6,429,999 | 25.00 | 185,572 | 195,521 | 48,880 | Subsidiary | |
| President Chain Store Corp. | Presicarre Corp. | Taiwan | Management of retail department store | 7,112,028 | 7,112,028 | 145,172,360 | 19.50 | 4,868,968 | 1,463,083 | 41,442 | 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 | 2,177,267 | 283,027 | 53,775 | Note | |
| President Chain Store Corp. | President International Development Corp. | Taiwan | Professional investment | 500,000 | 500,000 | 44,100,000 | 3.33 | 469,939 | 188,736 | 6,691 | Note | |
| President Chain Store Corp. | Tung Ho Development Corp. | Taiwan | Management of entertainment business | 861,696 | 861,696 | 9,965,000 | 6.23 | 55,640 | (73,279) | (4,565) | Note | |
| President Chain Store Corp. | Ren-Hui Investment Corp. | Taiwan | Professional investment | 637,231 | 637,231 | 6,500,000 | 100.00 | 26,587 | (20,678) | (21,472) | Subsidiary | |
| President Chain Store Corp. | Capital Marketing Consultant Corp. | Taiwan | Enterprise management consultancy | 9,506 | 9,506 | 2,500,000 | 100.00 | 98,978 | 52,812 | 52,782 | Subsidiary | |
| President Chain Store Corp. | PCSC (China) Drugstore Limited | British Virgin Islands | Professional investment | 277,805 | 277,805 | 8,746,008 | 92.20 | 70,919 | 361 | 333 | 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 | 40,621 | 21,869 | 21,870 | Subsidiary | |
| President Chain Store Corp. | Cold Stone Creamery Taiwan Ltd. | Taiwan | Sales of ice cream | 170,000 | 170,000 | 12,244,390 | 100.00 | 34,137 | 8,179 | 8,179 | Subsidiary | |
| President Chain Store Corp. | President Being Corp. | Taiwan | Sports and entertainment business | 170,000 | 170,000 | 1,500,000 | 100.00 | (149,767) | (50,921) | (50,921) | Subsidiary | |
| President Chain Store Corp. | 21 Century Co., Ltd. | Taiwan | Operation of chain restaurants | 160,680 | 160,680 | 10,000,000 | 100.00 | 186,243 | 41,327 | 41,327 | 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 | 87,102 | 3,222 | 3,222 | Subsidiary | |
| President Chain Store Corp. | Uni-President Oven Bakery Corp. | Taiwan | Bread and pastry retailer | 681,300 | 391,300 | 29,000,000 | 100.00 | 28,591 | (113,698) | (113,698) | Subsidiary | |
| President Chain Store Corp. | President Collect Service Corp. | Taiwan | Collection agent | 10,500 | 10,500 | 1,049,999 | 70.00 | 88,577 | 95,274 | 66,691 | Subsidiary | |
| President Chain Store Corp. | Mister Donut Taiwan Co., Ltd. | Taiwan | Bakery retailer | 200,000 | 200,000 | 7,500,049 | 50.00 | 128,048 | 77,954 | 38,977 | 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 | 49,668 | 39,397 | 14,447 | Note | |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2022 | | | Net profit (loss) of the investee for the year ended December 31, 2022 | Investment income (loss) recognized by the Company for the year ended December 31, 2022 | Footnote |
|----------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| | | | | Balance as at December 31, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | Book value | | | |
| President Chain Store Corp. | President Technology Corp. | Taiwan | Software development and telephone customer service | \$ 7,500 | \$ 7,500 | 750,000 | 15.00 | \$ 27,583 | \$ 55,731 | \$ 8,359 | Note |
| President Chain Store Corp. | Connection Labs Ltd. | Taiwan | Other software and internet-related | 202,963 | 102,963 | 21,722,779 | 100.00 | 28,788 | (111,083) | (111,071) | Subsidiary |
| Capital Marketing Consultant Corp. | Uni-Capital Marketing Consultant Holding Co., Ltd. | British Virgin Islands | Professional investment | 14,868 | - | 463,907 | 100.00 | 11,872 | (3,003) | (3,003) | Subsidiary of a subsidiary |
| Mech-President Corp. | Tong Ching Corporation | Taiwan | Gas station | 9,800 | 9,800 | 960,000 | 60.00 | 23,469 | 7,647 | 4,588 | Subsidiary of a subsidiary |
| President Chain Store (Hong Kong) Holdings Limited | PCSC (China) Drugstore Limited | British Virgin Islands | Professional investment | 22,725 | 22,725 | 740,000 | 7.80 | 6,000 | 361 | 28 | Subsidiary of a subsidiary |
| President Chain Store (BVI) Holdings Ltd. | President Chain Store (Labuan) Holdings Ltd. | Malaysia | Professional investment | 2,197,589 | 2,078,863 | 71,559,390 | 100.00 | 2,824,076 | 573,420 | 573,420 | Subsidiary of a subsidiary |
| President Chain Store (BVI) Holdings Ltd. | President Chain Store (Hong Kong) Holdings Limited | Hong Kong | Professional investment | 4,783,295 | 4,783,295 | 134,603,354 | 100.00 | 3,164,190 | (522,434) | (522,434) | Subsidiary of a subsidiary |
| President Chain Store (Labuan) Holdings Ltd. | Philippine Seven Corp. | Philippines | Convenience store | 2,196,728 | 2,078,003 | 418,467,647 | 55.32 | 2,822,788 | 1,129,151 | 573,790 | Subsidiary of a subsidiary |
| President Logistics International Corp. | Chieh Shun Logistics International Corp. | Taiwan | Trucking | 180,000 | 180,000 | 26,670,000 | 100.00 | 351,169 | 46,106 | 46,106 | 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 | (30,406) | (37,281) | (37,281) | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Books.com. Co., Ltd. | Taiwan | Retail business without shop | - | - | 1 | - | - | 214,956 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Uni-President Department Store Corp. | Taiwan | Department stores | - | - | 1 | - | - | 156,673 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Mech-President Corp. | Taiwan | Gas station, installment and maintenance of elevators | - | - | 1 | - | - | 189,426 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Information Corp. | Taiwan | Enterprise information management and consultancy | - | - | 1 | - | - | 96,422 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Transnet Corp. | Taiwan | Delivery service | - | - | 1 | - | - | 1,344,193 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Q-ware Systems & Services Corp. | Taiwan | Information software services | - | - | 1 | - | - | 114,572 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Duskin Serve Taiwan Co., Ltd. | Taiwan | Cleaning instruments leasing and selling | - | - | 1 | - | - | 203,833 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Pharmaceutical Corp. | Taiwan | Sales of various health care products, cosmetics, and pharmaceuticals | - | - | 1 | - | - | 133,164 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Mister Donut Taiwan Co., Ltd. | Taiwan | Bakery retailer | - | - | 1 | - | - | 77,954 | - | Note |
| Ren-Hui Investment Corp. | Uni-President Superior Commissary Corp. | Taiwan | Fresh food manufacture | - | - | 1 | - | - | 74,093 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Uni-President Cold-Chain Corp. | Taiwan | Low-temperature logistics and warehousing | - | - | 1 | - | - | 429,821 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Retail Support International Corp. | Taiwan | Room-temperature logistics and warehousing | - | - | 1 | - | - | 195,521 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Collect Service Corp. | Taiwan | Collection agent | - | - | 1 | - | - | 95,274 | - | 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 | 4,967 | (23,875) | (23,875) | 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 | 71,244 | 42,608 | 21,730 | Subsidiary of a subsidiary |
| Retail Support International Corp. | President Logistics International Corp. | Taiwan | Trucking | 44,975 | 44,975 | 9,481,500 | 49.00 | 189,506 | 91,657 | 44,912 | Subsidiary of a subsidiary |
| Retail Support Taiwan Corp. | President Logistics International Corp. | Taiwan | Trucking | 5,425 | 5,425 | 1,161,000 | 6.00 | 23,205 | 91,657 | 5,499 | Subsidiary of a subsidiary |
| Uni-President Cold-Chain Corp. | President Logistics International Corp. | Taiwan | Trucking | 23,850 | 23,850 | 4,837,500 | 25.00 | 96,687 | 91,657 | 22,914 | 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 | 120,444 | 3,641 | 3,641 | Subsidiary of a subsidiary |
| Wisdom Distribution Servic Corp. | President Logistics International Corp. | Taiwan | Trucking | 18,850 | 18,850 | 3,870,000 | 20.00 | 77,349 | 91,657 | 18,331 | Subsidiary of a subsidiary |
| Philippine Seven Corp. | Convenience Distribution Inc. | Philippines | Logistic, warehousing and retail | 24,798 | 24,798 | 12,500,000 | 100.00 | 24,798 | 6,692 | - | Subsidiary of a subsidiary |
| Philippine Seven Corp. | Store Sites Holding, Inc. | Philippines | Professional investment | 26,860 | 26,860 | 40,000 | 100.00 | 26,860 | 935 | - | 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, 2022
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, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 | Net profit/(loss) of investee for the year ended December 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income/(loss) recognized by the Company for the year ended December 31, 2022 | Book value of investments in December 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022 | Footnote |
|----------------------------------------------------------|-----------------------------------------------------------------------|-----------------|-------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| President Cosmed Chain Store (Shen Zhen) Co., Ltd. | Wholesale of merchandise | \$ 445,163 | Note 1 | \$ 289,205 | \$ - | \$ - | \$ 289,205 | \$ 473 | 100.00 | \$ 471 | \$ 76,633 | \$ - | Note 2 |
| President Chain Store (Shanghai) Ltd. | Convenience Store | 3,116,141 | Note 1 | 2,760,011 | 356,130 | - | 3,116,141 | (295,663) | 100.00 | (295,666) | 358,899 | - | Note 2 |
| Shanghai President Logistic Co., Ltd. | Logistics and warehousing | 61,420 | Note 1 | 61,420 | - | - | 61,420 | 23,156 | 100.00 | 23,156 | 628,782 | - | Note 2 |
| Shan Dong President Yinzuo Commercial Limited | Supermarkets | 267,098 | Note 1 | 125,246 | - | - | 125,246 | (161,948) | 55.00 | (87,560) | (26,183) | 7,985 | Note 2 |
| President (Shanghai) Health Product Trading Company Ltd. | Sales of various health care products, cosmetics, and pharmaceuticals | 174,313 | Note 1 | 174,313 | - | - | 174,313 | (34,721) | 73.74 | (25,603) | (39,580) | 57,077 | Note 2 |
| Zhejiang Uni-Champion Logistics Development Co., Ltd. | Logistics and warehousing | 178,065 | Note 1 | 174,383 | - | - | 174,383 | 7,451 | 80.00 | 6,083 | 192,970 | 26,175 | Note 2 |
| President Chain Store (Taizhou) Ltd. | Logistics and warehousing | 267,098 | Note 1 | 267,098 | - | - | 267,098 | 28,138 | 100.00 | 28,139 | 457,286 | - | Note 2 |
| President Logistic ShanDong Co., Ltd. | Logistics and warehousing | 222,582 | Note 1 | 222,582 | - | - | 222,582 | 13,905 | 100.00 | 15,350 | 239,590 | - | Note 2 |
| President Chain Store (Zhejiang) Ltd. | Convenience Store | 934,842 | Note 1 | 934,842 | - | - | 934,842 | (200,448) | 100.00 | (200,449) | 161,620 | - | Note 2 |
| Beauty Wonder (Zhejiang) Trading Co., Ltd. | Sales of cosmetics and daily items | 267,098 | Note 1 | 267,098 | - | - | 267,098 | (36,480) | 100.00 | (36,480) | 93,031 | - | Note 2 |
| Uni-Capital Marketing Consultant Corp. | Management Consulting | 13,355 | Note 1 | - | 13,355 | - | 13,355 | (3,000) | 100.00 | (3,001) | 10,340 | - | 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, 2022 | 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. | \$ 5,122,683 | \$ 9,865,546 | \$ 27,388,850 |
| President Pharmaceutical Corp. | 174,313 | 174,313 | 453,044 |
| Uni-Capital Marketing Consultant Corp. | 13,355 | 13,355 | 80,000 |
| Uni-President Cold-Chain Corp. | 91,130 | 91,130 | 1,010,546 |
| Ren-Hui Investment Corp. | 52,922 | 52,922 | 80,000 |

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

Table 10

December 31, 2022

| Shareholder name | Shares held as at December 31, 2022 | |
|---------------------------------|-------------------------------------|---------------|
| | 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, 2022 and 2021, 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 auditors (please refer to the Other matters section), 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, 2022 and 2021, 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 Standards on Auditing of the Republic of China. 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 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 parent company only financial statements for the year ended December 31, 2022. 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, 2022 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(23) and 6(21) 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 –Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the accounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$2,822,788 thousand and NT\$2,154,739 thousand, constituting 1.8% and 1.5% of parent company only total assets as of December 31, 2022 and 2021, respectively, and the comprehensive 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\$609,464 thousand and (NT\$79,073) thousand, constituting 5.2% and (0.9%) of parent company only total comprehensive 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 Standards of Auditing of 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 Standards of Auditing of the Republic of China, we exercise professional judgment and 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 current period and are therefore 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 23, 2023

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 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.

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, 2022 | | December 31, 2021 | |
|---------------------------|--------------------------------------------------------------------------------|---------------|-----------------------|------------|-----------------------|------------|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 10,617,340 | 7 | \$ 10,719,621 | 7 |
| 1170 | Accounts receivable, net | 6(2) | 740,136 | 1 | 733,144 | 1 |
| 1200 | Other receivables | 7(3) | 4,391,775 | 3 | 4,320,660 | 3 |
| 130X | Inventories | 6(3) | 11,569,619 | 7 | 9,980,315 | 7 |
| 1410 | Prepayments | | 334,260 | - | 362,335 | - |
| 1470 | Other current assets | | 632,637 | - | 1,379,752 | 1 |
| 11XX | Total current assets | | 28,285,767 | 18 | 27,495,827 | 19 |
| Non-current assets | | | | | | |
| 1510 | Financial assets at fair value through profit or loss – non-current | 6(4) | 85,480 | - | 85,480 | - |
| 1517 | Financial assets at fair value through other comprehensive income -non-current | 6(5) | 847,481 | 1 | 1,165,909 | 1 |
| 1550 | Investments accounted for using equity method | 6(6) and 7(3) | 50,289,206 | 32 | 46,935,745 | 32 |
| 1600 | Property, plant and equipment | 6(7) | 17,604,486 | 11 | 13,907,351 | 9 |
| 1755 | Right-of-use assets | 6(8) and 7(3) | 56,946,107 | 36 | 52,636,229 | 36 |
| 1760 | Investment property, net | 6(10) | 1,508,147 | 1 | 1,548,182 | 1 |
| 1780 | Intangible assets | 6(11) | 358,172 | - | 290,720 | - |
| 1840 | Deferred income tax assets | 6(28) | 746,647 | - | 778,010 | 1 |
| 1900 | Other non-current assets | 6(12) | 2,415,524 | 1 | 1,599,523 | 1 |
| 15XX | Total non-current assets | | 130,801,250 | 82 | 118,947,149 | 81 |
| 1XXX | Total assets | | \$ 159,087,017 | 100 | \$ 146,442,976 | 100 |

(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | December 31, 2022 | | December 31, 2021 | |
|--------------------------------------------------|-------|-------------------|-----|-------------------|------|
| | | AMOUNT | % | | % |
| Current liabilities | | | | | |
| 2100 Short-term borrowings | 6(13) | \$ 7,700,000 | 5 | \$ 3,500,000 | 2 |
| 2130 Contract liabilities – current | 6(21) | 4,867,841 | 3 | 4,762,325 | 3 |
| 2150 Notes payable | | 1,250,438 | 1 | 1,213,443 | 1 |
| 2160 Notes payable – related parties | 7(3) | 6,854,022 | 4 | 6,145,475 | 4 |
| 2170 Accounts payable | | 1,460,921 | 1 | 1,889,771 | 1 |
| 2180 Accounts payable – related parties | 7(3) | 10,453,633 | 7 | 9,664,135 | 7 |
| 2200 Other payables | 6(14) | 19,683,959 | 12 | 18,885,165 | 13 |
| 2230 Current income tax liabilities | 6(28) | 879,461 | 1 | 626,645 | 1 |
| 2280 Lease liabilities – current | 7(3) | 8,535,793 | 5 | 9,046,183 | 6 |
| 2300 Other current liabilities | 6(15) | 1,659,033 | 1 | 1,739,156 | 1 |
| 21XX Total current liabilities | | 63,345,101 | 40 | 57,472,298 | 39 |
| Non-current liabilities | | | | | |
| 2527 Contract liabilities – non-current | 6(21) | 215,847 | - | 201,663 | - |
| 2570 Deferred income tax liabilities | 6(28) | 3,601,885 | 2 | 3,567,607 | 3 |
| 2580 Lease liabilities – non-current | 7(3) | 49,272,717 | 31 | 44,423,203 | 30 |
| 2640 Net defined benefit liability – non-current | 6(16) | 1,984,245 | 1 | 2,698,132 | 2 |
| 2645 Guarantee deposit received | | 3,469,748 | 2 | 3,197,650 | 2 |
| 2670 Other non-current liabilities | | 738,394 | 1 | 719,415 | 1 |
| 25XX Total non-current liabilities | | 59,282,836 | 37 | 54,807,670 | 38 |
| 2XXX Total liabilities | | 122,627,937 | 77 | 112,279,968 | 77 |
| Equity | | | | | |
| Share capital | 6(17) | | | | |
| 3110 Share capital – common stock | | 10,396,223 | 7 | 10,396,223 | 7 |
| Capital surplus | 6(18) | | | | |
| 3200 Capital surplus | | 87,852 | - | 86,222 | - |
| Retained earnings | 6(19) | | | | |
| 3310 Legal reserve | | 14,323,836 | 9 | 15,379,788 | 10 |
| 3320 Special reserve | | 1,921,515 | 1 | 1,332,621 | 1 |
| 3350 Unappropriated retained earnings | | 9,784,279 | 6 | 8,889,669 | 6 |
| Other equity | 6(20) | | | | |
| 3400 Other equity interest | | (54,625) | - | (1,921,515) | (1) |
| 3XXX Total equity | | 36,459,080 | 23 | 34,163,008 | 23 |
| 3X2X Total liabilities and equity | | \$ 159,087,017 | 100 | \$ 146,442,976 | 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 | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|-------|----------------|-------|
| | | 2022 | | 2021 | |
| | | AMOUNT | % | AMOUNT | % |
| 4000 Operating revenue | 6(21) and 7(3) | \$ 182,872,403 | 100 | \$ 168,010,130 | 100 |
| 5000 Operating costs | 6(3)(26) and 7(3) | (121,633,971) | (67) | (111,722,341) | (66) |
| 5900 Gross profit | | 61,238,432 | 33 | 56,287,789 | 34 |
| Operating expenses | 6(26)(27) | | | | |
| 6100 Selling expenses | | (50,762,856) | (28) | (46,623,860) | (28) |
| 6200 General and administrative expenses | | (4,381,165) | (2) | (3,866,297) | (2) |
| 6450 Expected credit losses | 12(2) | (1,177) | - | - | - |
| 6000 Total operating expenses | | (55,145,198) | (30) | (50,490,157) | (30) |
| 6900 Operating profit | | 6,093,234 | 3 | 5,797,632 | 4 |
| Non-operating income and expenses | 7(3) | | | | |
| 7100 Interest income | 6(22) | 43,869 | - | 22,263 | - |
| 7010 Other income | 6(23) | 1,728,419 | 1 | 1,512,580 | 1 |
| 7020 Other gains and losses | 6(24) | (119,901) | - | 54,885 | - |
| 7050 Finance costs | 6(25) | (433,240) | - | (404,229) | - |
| 7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method | 6(6) | 3,409,883 | 2 | 2,838,228 | 1 |
| 7000 Total non-operating income and expenses | | 4,629,030 | 3 | 4,023,727 | 2 |
| 7900 Profit before income tax | | 10,722,264 | 6 | 9,821,359 | 6 |
| 7950 Income tax expense | 6(28) | (1,440,614) | (1) | (959,740) | (1) |
| 8200 Profit for the year | | \$ 9,281,650 | 5 | \$ 8,861,619 | 5 |
| Other comprehensive (loss) income | | | | | |
| 8311 Gain on remeasurement of defined benefit plan | 6(16) | \$ 474,844 | - | \$ 93,166 | - |
| 8316 Unrealized (loss) gain on valuation of equity instruments at fair value through other comprehensive income | 6(5)(20) | (318,428) | - | 206,082 | - |
| 8330 Share of other comprehensive gain 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 | | 221,602 | - | 86,479 | - |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(28) | (96,156) | - | (11,538) | - |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss | | 281,862 | - | 374,189 | - |
| 8361 Financial statements translation differences of foreign operations | 6(20) | 2,145,224 | 1 | (793,912) | - |
| 8380 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | | 42,543 | - | (10,187) | - |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss | | 2,187,767 | 1 | (804,099) | - |
| 8300 Total other comprehensive income (loss) for the year | | \$ 2,469,629 | 1 | (\$ 429,910) | - |
| 8500 Total comprehensive income for the year | | \$ 11,751,279 | 6 | \$ 8,431,709 | 5 |
| 9750 Basic earnings per share | 6(29) | \$ 8.93 | | \$ 8.52 | |
| 9850 Diluted earnings per share | 6(29) | \$ 8.91 | | \$ 8.51 | |

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, 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(20) | - | - | - | - | 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(19) | | | | | | | | |
| 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 |
| For the year ended December 31, 2022 | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 10,396,223 | \$ 86,222 | \$ 15,379,788 | \$ 1,332,621 | \$ 8,889,669 | (\$ 2,776,895) | \$ 855,380 | \$ 34,163,008 |
| Profit for the year | | - | - | - | - | 9,281,650 | - | - | 9,281,650 |
| Other comprehensive income (loss) for the year | 6(20) | - | - | - | - | 602,739 | 2,186,877 | (319,987) | 2,469,629 |
| Total comprehensive income (loss) for the year | | - | - | - | - | 9,884,389 | 2,186,877 | (319,987) | 11,751,279 |
| Distribution of 2021 earnings: | 6(19) | | | | | | | | |
| Legal reserve | | - | - | 804,972 | - | (804,972) | - | - | - |
| Special reserve | | - | - | - | 588,894 | (588,894) | - | - | - |
| Cash dividends | | - | - | (1,860,924) | - | (7,495,676) | - | - | (9,356,600) |
| Overdue unclaimed cash dividend transferred to capital surplus | | - | 938 | - | - | - | - | - | 938 |
| Acquisition of additional equity interest in a subsidiary | | - | - | - | - | (104,272) | - | - | (104,272) |
| Adjustment to capital surplus due to associates' adjustment of capital surplus | | - | 692 | - | - | - | - | - | 692 |
| Disposal of equity instruments designated at fair value through other comprehensive income of associates | | - | - | - | - | 4,035 | - | - | 4,035 |
| Balance at December 31, 2022 | | \$ 10,396,223 | \$ 87,852 | \$ 14,323,836 | \$ 1,921,515 | \$ 9,784,279 | (\$ 590,018) | \$ 535,393 | \$ 36,459,080 |

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 | |
|--------------------------------------------------------------------------------------------------|-------------|------------------------------------|--------------|
| | | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax for the year | | \$ 10,722,264 | \$ 9,821,359 |
| 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) | 1,177 | |
| Depreciation expense | 6(7)(8)(26) | 11,942,588 | 10,984,730 |
| Amortization expense | 6(11)(26) | 128,710 | 67,301 |
| Depreciation on investment property | 6(10) | 6,821 | 6,452 |
| Finance costs | 6(25) | 433,240 | 404,229 |
| Share of profit of subsidiaries, associates and joint ventures accounted for using equity method | 6(6) | (3,409,883) (2,838,228) | |
| Loss on disposal of property, plant and equipment | 6(24) | 86,484 | 3,085 |
| Gain on disposal of investment property | 6(24) | (29,507) (22,549) | |
| Gain from lease modification | 6(8)(24) | (53,170) (70,238) | |
| Interest income | 6(22) | (43,869) (22,263) | |
| Dividend income | 6(23) | (121,126) (82,168) | |
| Other income recognized from rent concessions | 6(8) | (3,449) (32,852) | |
| 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 | | (8,169) (140,398) | |
| Other receivables | | (71,588) (1,268,379) | |
| Inventories | | (1,589,304) (1,088,382) | |
| Prepayments | | 28,075 (231,277) | |
| Other current assets | | 747,115 | 228,331 |
| Other non-current assets | | (120,519) (4,610) | |
| Net changes in liabilities relating to operating activities | | | |
| Contract liabilities - current | | 105,516 | 1,563,257 |
| Accounts payable | | 360,648 | 937,365 |
| Notes payable | | 745,542 | 1,902,689 |
| Other payables | | (413,772) | 3,208,874 |
| Other current liabilities | | (80,123) | 58,603 |
| Contract liabilities - non-current | | 14,184 (132,782) | |
| Net defined benefit liability | | (239,043) (77,294) | |
| Other non-current liabilities | | (22,255) | 184,864 |
| Cash inflow generated from operations | | 19,116,587 | 23,358,149 |
| Interest received | | 44,342 | 22,684 |
| Income tax paid | 6(28) | (1,218,313) (1,778,260) | |
| Interest paid | | (417,460) (393,668) | |
| Dividends received | | 2,877,372 | 3,547,793 |
| Net cash flows from operating activities | | 20,402,528 | 24,756,698 |

PRESIDENT CHAIN STORE CORP. PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

Appendix

Parent Company Only
Financial Statements and
Report of Independent
Accountants

(Expressed in thousands of New Taiwan dollars)

| | Notes | For the years ended December 31 | |
|------------------------------------------------------------------------------|---------------|------------------------------------|---------------|
| | | 2022 | 2021 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of investments accounted for using equity method | 6(6) and 7(3) | (\$ 390,000) | (\$ 102,963) |
| Acquisition of property, plant and equipment | 6(30) | (6,007,003) | (4,634,046) |
| Proceeds from disposal of property, plant and equipment | | 50,103 | 98,384 |
| Return of capital from financial assets at fair value through profit or loss | | - | 1,613 |
| Acquisition of investment property | 6(10) | - (375,938) | |
| Proceeds from disposal of investment property | | 37,933 | 38,554 |
| Increase in guarantee deposits paid | | (95,482) | (93,343) |
| Acquisition of intangible assets | 6(11) | (196,162) | (195,756) |
| Prepaid land | 6(12) | (600,000) | - |
| Net cash flows used in investing activities | | (7,200,611) | (5,263,495) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in short-term borrowings | 6(31) | 4,200,000 | 400,000 |
| Decrease in short-term notes and bills payable | 6(31) | - (3,399,147) | |
| Payments of lease liabilities | 6(31) | (8,419,696) | (7,648,601) |
| Increase in guarantee deposits received | 6(31) | 272,098 | 233,489 |
| Payment of cash dividends | 6(19)(31) | (9,356,600) | (9,356,600) |
| Net cash flows used in financing activities | | (13,304,198) | (19,770,859) |
| Net decrease in cash and cash equivalents | | (102,281) | (277,656) |
| Cash and cash equivalents at beginning of year | | 10,719,621 | 10,997,277 |
| Cash and cash equivalents at end of year | | \$ 10,617,340 | \$ 10,719,621 |

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, 2022 AND 2021

(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 23, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC").

New standards, interpretations and amendments that came into effect as endorsed by 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.

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

New standards, interpretations and amendments that came into effect as endorsed by the FSC effective from 2023 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 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 (1) right-of-use assets and lease liabilities, and (2) 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.

(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 |
| Amendments to IFRS 16, 'Lease liability of leaseback' | January 1, 2024 |
| 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, 2024 |
| Amendments to IAS 1, 'Classification of non-current liabilities with covenants' | January 1, 2024 |

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

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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 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 joint 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 recognised 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, even when 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 joint 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 realised 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 recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value and recognises the gain or loss in profit or loss.
- D. The Company recognises 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 recognise 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 recognised and derecognised 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 recognised 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 recognised 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 amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises 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 recognised 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 recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised 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 recognise 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 recognised 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 recognised in profit or loss. All amounts previously recognised 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 recognised 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 recognised at cost.

G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised 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 recognise 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 recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

I. Unrealised 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 recognised 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 recognised in profit or loss.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised 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 recognised 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 recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised 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 recognised 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 recognise 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 recognised 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 derecognised. 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 ~ 8 years |
| Leasehold improvements | 7 ~ 10 years |

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
- Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable;
 - (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 amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the 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 recognised 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 amortised 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 recognised 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 recognising 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 recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised 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 recognised 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 recognised as interest expense. Provisions are not recognised 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 recognised as expense in that period when the employees render service.

B. Pensions**(a) Defined contribution plan**

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised 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 recognised 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 recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised 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 recognises expense when it can no longer withdraw an offer of termination benefits or it recognises 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 recognised 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 recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised 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 recognised, 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 recognised 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, unrecognised and recognised 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 utilized.

(23) Revenue recognition

- A. Sale of goods
 - (a) The Company operates a chain of retail stores. Revenue from the sale of goods is recognised 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 recognised 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 recognised 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 recognised for the transaction price which is allocated to the points and revenue is recognised when the points are redeemed or expire.
- B. Sales of services

The Company provides delivery services. Revenue from delivering services is recognised 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, 2022 | December 31, 2021 |
|---------------------------------------|----------------------|----------------------|
| Petty cash in store | \$ 1,047,270 | \$ 979,358 |
| Checking accounts and demand deposits | 8,271,725 | 9,440,263 |
| Cash equivalents | | |
| Time deposits | - | 300,000 |
| Short-term financial instruments | 1,298,345 | - |
| | <u>\$ 10,617,340</u> | <u>\$ 10,719,621</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, 2022 | December 31, 2021 |
|---------------------------------------|-------------------|-------------------|
| Accounts receivable | \$ 742,285 | \$ 734,116 |
| Less: Allowance for doubtful accounts | (2,149) | (972) |
| | <u>\$ 740,136</u> | <u>\$ 733,144</u> |

A. The ageing analysis of accounts receivable is as follows:

| | December 31, 2022 | December 31, 2021 |
|----------------|-------------------|-------------------|
| Not past due | \$ 730,810 | \$ 723,365 |
| Up to 90 days | 8,553 | 10,042 |
| 91 to 120 days | 2,856 | 127 |
| Over 121 days | 66 | 582 |
| | <u>\$ 742,285</u> | <u>\$ 734,116</u> |

The above ageing analysis was based on past due date.

B. As at December 31, 2022 and 2021, accounts receivable was all from contracts with customers. And as at January 1, 2021, the balance of receivables from contracts with customers amounted to \$592,746.

C. No accounts receivable of the Company was pledged to others.

D. As at December 31, 2022 and 2021, 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 \$740,136 and \$733,144, respectively.

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

(3) Inventories

| | December 31, 2022 | | |
|-------------|-------------------|------------------------------|---------------|
| | Cost | Allowance for valuation loss | Book value |
| Merchandise | \$ 11,627,892 | (\$ 58,273) | \$ 11,569,619 |
| | | | |
| | December 31, 2021 | | |
| | Cost | Allowance for valuation loss | Book value |
| Merchandise | \$ 10,002,185 | (\$ 21,870) | \$ 9,980,315 |

The cost of inventories recognised as expense:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------|-----------------------------------------|-----------------------------------------|
| Cost of goods sold | \$ 119,481,182 | \$ 109,471,937 |
| Loss on valuation of inventories | 36,403 | 6,491 |
| Spoilage | 1,805,025 | 1,944,364 |
| Others | 311,361 | 299,549 |
| | <u>\$ 121,633,971</u> | <u>\$ 111,722,341</u> |

(4) Financial assets at fair value through profit or loss – non-current

| | December 31, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Non-current items: | | |
| Unlisted stocks | \$ 240,975 | \$ 240,975 |
| Valuation adjustment | (155,495) | (155,495) |
| | <u>\$ 85,480</u> | <u>\$ 85,480</u> |

A. The Company recognised net gains of financial assets at fair value through profit or loss was \$36,989 and \$20,244 for the years ended December 31, 2022 and 2021, 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, 2022 | December 31, 2021 |
|----------------------|-------------------|---------------------|
| Equity instruments | | |
| Listed stocks | | |
| Unlisted stocks | \$ 265,606 | \$ 265,606 |
| | <u>4,348</u> | <u>4,348</u> |
| | <u>269,954</u> | <u>269,954</u> |
| Valuation adjustment | 577,527 | 895,955 |
| | <u>\$ 847,481</u> | <u>\$ 1,165,909</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 \$847,481 and \$1,165,909 as at December 31, 2022 and 2021, respectively.
 B. Amounts recognised 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, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Equity instruments at fair value through other comprehensive income | | |
| Fair value change recognized in other comprehensive income | (\$ 318,428) | \$ 206,082 |
| Dividend income recognized in profit or loss | \$ 84,137 | \$ 63,494 |

C. As at December 31, 2022 and 2021, 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 \$847,481 and \$1,165,909, 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

| | 2022 | 2021 |
|--------------------------------------------------------------------------|--------------------------|--------------------------|
| At January 1 | \$ 46,935,745 | \$ 49,110,865 |
| Addition of investments accounted for using equity method | 390,000 | 102,963 |
| Share of profit or loss of investments accounted for using equity method | 3,409,883 | 2,838,228 |
| Earnings distribution of investments accounted for using equity method | (2,756,246) | (3,465,625) |
| Changes in other equity items | 2,309,824 | (1,650,686) |
| At December 31 | <u>\$ 50,289,206</u> | <u>\$ 46,935,745</u> |
| | December 31, 2022 | December 31, 2021 |
| Subsidiaries | | |
| President Chain Store (BVI) Holdings Ltd. | \$ 25,442,996 | \$ 23,075,419 |
| Uni-Wonder Corp. | 4,941,483 | 4,832,636 |
| President Transnet Corp. | 2,376,245 | 2,330,196 |
| President Drugstore Business Corp. | 1,797,884 | 1,458,917 |
| Uni-President Cold-Chain Corp. | 1,022,870 | 956,984 |
| Wisdom Distribution Service Corp. | 904,525 | 811,447 |
| Mech-President Corp. | 820,340 | 690,901 |
| President Pharmaceutical Corp. | 715,589 | 544,724 |
| Uni-President Superior Commissary Corp. | 567,811 | 543,055 |
| President Information Corp. | 513,883 | 513,555 |
| Uni-President Department Store Corp. | 484,090 | 454,943 |
| Q-ware Systems & Services Corp. | 420,994 | 409,164 |
| ICASH Corp. | 418,981 | 470,616 |
| Books.com. Co., Ltd. | 317,655 | 411,281 |
| Duskin Serve Taiwan Co., Ltd. | 237,178 | 220,426 |
| 21 Century Co., Ltd. | 186,243 | 173,630 |
| Retail Support International Corp. | 185,572 | 144,394 |
| President Collect Service Corp., etc. | 379,367 | 256,267 |
| | <u>41,733,706</u> | <u>38,298,546</u> |
| | December 31, 2022 | December 31, 2021 |
| Associates | | |
| PresiCarre Corp. | \$ 4,868,968 | \$ 5,077,087 |
| President Fair Development Corp. | 2,177,267 | 2,123,492 |
| Uni-President Development Corp. | 778,387 | 757,554 |
| President International Development Corp. | 469,939 | 447,310 |
| Tung Ho Development Corp. | 55,640 | 60,012 |
| Uni-President Organics Corp. | 49,668 | 47,293 |
| President Technology Corp. | 27,583 | 26,723 |
| | <u>8,427,452</u> | <u>8,539,471</u> |
| Joint ventures | | |
| Mister Donut Taiwan Co., Ltd. | \$ 128,048 | \$ 97,728 |
| | <u>\$ 50,289,206</u> | <u>\$ 46,935,745</u> |

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, 2022.

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, 2022 | For the year ended December 31, 2021 |
|----------------------------|-----------------------------------------|-----------------------------------------|
| Total comprehensive income | \$ 228,765 | \$ 384,769 |

(b) The Company's share of the operating results in all individually immaterial joint ventures is summarized below:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------|-----------------------------------------|-----------------------------------------|
| Total comprehensive income | \$ 38,694 | \$ 9,304 |

C. No impairment loss was recognised on investments accounted for using equity method for the years ended December 31, 2022 and 2021

(7) Property, plant and equipment

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

| | 2022 | | | | | |
|-------------------------------------------|---------------------|-------------------|---------------------|------------------------|-------------------|----------------------|
| | Land | Buildings | Operating equipment | Leasehold improvements | Others | Total |
| <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) |
| | <u>\$ 1,514,699</u> | <u>\$ 562,712</u> | <u>\$ 7,344,552</u> | <u>\$ 4,468,428</u> | <u>\$ 16,960</u> | <u>\$ 13,907,351</u> |
| Opening net book amount as at January 1 | \$ 1,514,699 | \$ 562,712 | \$ 7,344,552 | \$ 4,468,428 | \$ 16,960 | \$ 13,907,351 |
| Additions | 726,288 | - | 3,651,441 | 2,394,824 | 437,875 | 7,210,428 |
| Disposals | - | - | (59,720) | (76,867) | - | (136,587) |
| Transfer | 22,414 | 2,374 | 14 | 36 | (50) | 24,788 |
| Depreciation charge | - | (19,013) | (2,171,576) | (1,210,259) | (646) | (3,401,494) |
| Closing net book amount as at December 31 | <u>\$ 2,263,401</u> | <u>\$ 546,073</u> | <u>\$ 8,764,711</u> | <u>\$ 5,576,162</u> | <u>\$ 454,139</u> | <u>\$ 17,604,486</u> |
| <u>At December 31</u> | | | | | | |
| Cost | \$ 2,267,333 | \$ 960,289 | \$ 19,362,908 | \$ 11,997,536 | \$ 464,886 | \$ 35,052,952 |
| Accumulated depreciation and impairment | (3,932) | (414,216) | (10,598,197) | (6,421,374) | (10,747) | (17,448,466) |
| | <u>\$ 2,263,401</u> | <u>\$ 546,073</u> | <u>\$ 8,764,711</u> | <u>\$ 5,576,162</u> | <u>\$ 454,139</u> | <u>\$ 17,604,486</u> |

| | 2021 | | | | | | Others | Total |
|-------------------------------------------|---------------------|-------------------|---------------------|------------------------|------------------|----------------------|--------|-------|
| | Land | Buildings | Operating equipment | Leasehold improvements | | | | |
| <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) | | |
| | <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> | | |
| 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 | <u>\$ 1,514,699</u> | <u>\$ 562,712</u> | <u>\$ 7,344,552</u> | <u>\$ 4,468,428</u> | <u>\$ 16,960</u> | <u>\$ 13,907,351</u> | | |
| <u>At December 31</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) | | |
| | <u>\$ 1,514,699</u> | <u>\$ 562,712</u> | <u>\$ 7,344,552</u> | <u>\$ 4,468,428</u> | <u>\$ 16,960</u> | <u>\$ 13,907,351</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 50 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, 2022 | December 31, 2021 |
|-----------|--------------------------------------|--------------------------------------|
| | Carrying amount | Carrying amount |
| Buildings | \$ 56,946,107 | \$ 52,636,229 |
| | | |
| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
| | Depreciation charge | Depreciation charge |
| Buildings | \$ 8,541,094 | \$ 8,057,125 |

C.For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$13,957,597 and \$12,021,149, respectively.

D.The information on income and expense accounts relating to lease contracts is as follows:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------------------------------|--------------------------------------|--------------------------------------|
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | \$ 347,557 | \$ 355,278 |
| Expense on variable lease payments | 116,904 | 70,169 |
| Gain on sublease of right-of-use assets | 661,220 | 580,651 |
| Gain from lease modification | 53,170 | 70,238 |

E.For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$8,884,157 and \$8,074,048, 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 1.30% and 0.83% of lease payments for the years ended December 31, 2022 and 2021, 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 recognised 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 \$1,169 and \$702 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 are \$3,587,734 and \$2,934,809, respectively.

H. The Company has applied the practical expedient to "Covid-19-related rent concessions" and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$3,449 and \$32,852, as other income for the years ended December 31, 2022 and 2021, respectively.

(9) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 15 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, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------|-----------------------------------------|-----------------------------------------|
| Rental revenue | \$ 736,441 | \$ 652,158 |
| Rental revenue from variable lease payments | \$ 434,434 | \$ 375,028 |

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

| | December 31, 2022 | December 31, 2021 |
|---------------|-------------------|-------------------|
| Within 1 year | \$ 258,640 | \$ 247,277 |
| 1~2 years | 193,998 | 181,599 |
| 2~3 years | 172,065 | 112,957 |
| 3~4 years | 139,881 | 92,360 |
| 4~5 years | 117,816 | 72,511 |
| Over 5 years | 260,316 | 194,265 |
| | \$ 1,142,716 | \$ 900,969 |

(10) Investment property

| | 2022 | | |
|---------------------|--------------|------------|--------------|
| | Land | Buildings | Total |
| At January 1 | \$ 1,303,855 | \$ 244,327 | \$ 1,548,182 |
| Disposals | (7,207) | (1,219) | (8,426) |
| Transfer | (22,414) | (2,374) | (24,788) |
| Depreciation charge | - | (6,821) | (6,821) |
| At December 31 | \$ 1,274,234 | \$ 233,913 | \$ 1,508,147 |

| | 2021 | | | Total |
|---------------------|--------------|------------|----|-----------|
| | Land | Buildings | | |
| 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 |

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Rental income from investment property | \$ 72,516 | \$ 65,473 |
| Direct operating expenses arising from the investment property that generated rental income during the year | \$ 25,555 | \$ 20,414 |

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 ranged from \$3,562,396 to \$3,722,237, 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 | 2022 | 2021 |
|------------------------|------------|------------|
| At January 1 | \$ 290,720 | \$ 162,265 |
| Additions | 196,162 | 195,756 |
| Amortization charge | (128,710) | (67,301) |
| At December 31 | \$ 358,172 | \$ 290,720 |

A. Amortization charge on intangible assets are recognised as operating expenses.

B. No intangible assets of the Company were pledged to others.

(12) Other non-current assets

| | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Guarantee deposits paid | \$ 1,680,486 | \$ 1,585,004 |
| Prepaid land | 600,000 | - |
| Others | 135,038 | 14,519 |
| | \$ 2,415,524 | \$ 1,599,523 |

The Company signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for approximately \$6,000,000 on September 27, 2022. The transaction will be paid in four installments. The first installment had been paid as of December 31, 2022.

(13) Short-term borrowings

| Type of borrowings | December 31, 2022 | Interest rate range | Collateral |
|--------------------|-------------------|---------------------|------------|
| Bank borrowings | | | |
| Credit loan | \$ 7,700,000 | 1.24%~1.65% | None |
| Type of borrowings | December 31, 2021 | Interest rate range | Collateral |
| Bank borrowings | | | |
| Credit loan | \$ 3,500,000 | 0.38%~0.45% | None |

There was no capitalization of borrowing costs for the years ended December 31, 2022 and 2021, respectively. Relevant interest expenses on borrowings is recognised as "finance costs".

(14) Other payables

| | December 31, 2022 | December 31, 2021 |
|-----------------------------------------------------------|----------------------|----------------------|
| Store collections | \$ 12,745,952 | \$ 13,807,553 |
| Payables for acquisition of property, plant and equipment | 2,055,469 | 852,044 |
| Wages, salaries and bonus payable | 1,503,648 | 1,162,839 |
| Incentive bonus payable to franchisees | 1,143,698 | 1,017,454 |
| Employees' compensation and remuneration for directors | 663,808 | 608,033 |
| Payables for system development and maintenance expenses | 142,438 | 128,749 |
| Payables for labor and health insurance | 84,532 | 80,060 |
| Rent payable | 40,975 | 44,237 |
| Others | 1,303,439 | 1,184,196 |
| | <u>\$ 19,683,959</u> | <u>\$ 18,885,165</u> |

(15) Other current liabilities

| | December 31, 2022 | December 31, 2021 |
|----------------------------------------|---------------------|---------------------|
| Advance receipts for gift certificates | \$ 1,496,265 | \$ 1,507,848 |
| Others | 162,768 | 231,308 |
| | <u>\$ 1,659,033</u> | <u>\$ 1,739,156</u> |

(16) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2.28% and 2.00% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

| | December 31, 2022 | December 31, 2021 |
|---------------------------------------------|-----------------------|-----------------------|
| Present value of defined benefit obligation | (\$ 3,378,953) | (\$ 3,955,125) |
| Fair value of plan assets | 1,394,708 | 1,256,993 |
| Net defined benefit liability | <u>(\$ 1,984,245)</u> | <u>(\$ 2,698,132)</u> |

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

| | 2022 | | |
|--------------------------------------------------------------------------------------|---------------------------------------------|---------------------------|-------------------------------|
| | Present value of defined benefit obligation | Fair value of plan assets | Net defined benefit liability |
| At January 1 | (\$ 3,955,125) | \$ 1,256,993 | (\$ 2,698,132) |
| Current service cost | (25,536) | - | (25,536) |
| Interest (expense) income | (21,449) | 6,720 | (14,729) |
| | (4,002,110) | 1,263,713 | (2,738,397) |
| Remeasurements: | | | |
| Return on plan assets (excluding amounts attributable to interest income or expense) | - | 105,267 | 105,267 |
| Change in demographic assumptions | (74) | - | (74) |
| Change in financial assumptions | 276,252 | - | 276,252 |
| Experience adjustments | 93,399 | - | 93,399 |
| | 369,577 | 105,267 | 474,844 |
| Pension fund contribution | - | 275,825 | 275,825 |
| Paid pension | 253,580 | (250,097) | 3,483 |
| At December 31 | (\$ 3,378,953) | \$ 1,394,708 | (\$ 1,984,245) |
| | 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) |

(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 contributions to cover 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, 2022 and 2021 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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Discount rate | 1.30% | 0.55% |
| 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% |
| <u>December 31, 2022</u> | | | | |
| Effect on present value of defined benefit obligation | (\$ 85,515) | \$ 88,704 | \$ 89,091 | (\$ 86,359) |
| <u>December 31, 2021</u> | | | | |
| Effect on present value of defined benefit obligation | (\$ 108,545) | \$ 112,847 | \$ 111,096 | (\$ 107,483) |

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 plans of the Company for the year ending December 31, 2023 amount to \$42,795.

(f) As of December 31, 2022, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment is as follows:

| | |
|---------------|--------------|
| Within 1 year | \$ 110,233 |
| 1-2 year(s) | 144,265 |
| 2-5 years | 492,090 |
| Over 5 years | 3,111,692 |
| | \$ 3,858,280 |

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, 2022 and 2021 were \$227,595 and \$219,931, respectively.

(17) Share capital

As of December 31, 2022, 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, 2022 and 2021.

(18) 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.

(19)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 and 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 2021 and 2020 were resolved by the shareholders on May 26, 2022 and July 16, 2021, respectively, as follows:

| | 2021 | | 2020 | |
|------------------------------------|------------|-------------------------------------|--------------|-------------------------------------|
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 804,972 | | \$ 1,010,560 | |
| Special reserve appropriated | 588,894 | | 952,434 | |
| Cash dividends - Retained earnings | 7,495,676 | \$ 7.21 | 9,356,600 | \$ 9.00 |
| Cash dividends - Legal reserve | 1,860,924 | 1.79 | - | - |

E.The appropriations for 2022 as resolved by the Board of Directors on February 23, 2023 is as follows:

| | 2022 | |
|------------------------------------|--------------|-------------------------------------|
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 978,415 | |
| Special reserve appropriated | (1,866,890) | |
| Cash dividends - Retained earnings | 9,356,600 | \$ 9.00 |

(20) Other equity items

| | 2022 | | | Total |
|-----------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------|-------|
| | Financial statements translation differences of foreign operations | Unrealized gains/(losses) on financial assets at fair value through other comprehensive income | | |
| At January 1 | (\$ 2,776,895) | \$ 855,380 | (\$ 1,921,515) | |
| Revaluation and transfer: | | | | |
| –The Company | - (318,428) | (318,428) | | |
| –Subsidiaries | - | - | | |
| –Associates | - (372) | (372) | | |
| Revaluation - tax | - (1,187) | (1,187) | | |
| Currency translation differences: | | | | |
| –The Company | 2,145,224 | - | 2,145,224 | |
| –Subsidiaries | 4,691 | - | 4,691 | |
| –Associates | 36,962 | - | 36,962 | |
| At December 31 | (\$ 590,018) | \$ 535,393 | (\$ 54,625) | |
| | 2021 | | | Total |
| | Financial statements translation differences of foreign operations | Unrealized gains/(losses) on financial assets at fair value through other comprehensive income | | |
| 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) | |

(21) Operating revenue

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------|-----------------------------------------|-----------------------------------------|
| Revenue from contracts with customers | \$ 182,872,403 | \$ 168,010,130 |

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, 2022 | For the year ended December 31, 2021 |
|-------------------------------|-----------------------------------------|-----------------------------------------|
| Timing of revenue recognition | | |
| –At a point in time | \$ 181,959,481 | \$ 167,181,670 |
| –Over time | 912,922 | 828,460 |
| | \$ 182,872,403 | \$ 168,010,130 |

B. Contract liabilities

(a) The Company has recognised the following revenue-related contract liabilities:

| | December 31, 2022 | December 31, 2021 |
|----------------------------------------------------------|---------------------------|---------------------------|
| Contract liabilities – advance receipts of gift payments | \$ 4,082,878 | \$ 4,107,662 |
| Contract liabilities – franchise fee | 276,649 | 261,638 |
| Contract liabilities – customer loyalty programs | 642,998 | 464,411 |
| Contract liabilities – others | 81,163 | 130,277 |
| | <hr/> <u>\$ 5,083,688</u> | <hr/> <u>\$ 4,963,988</u> |

(b) Revenues recognised that were included in the contract liabilities balance at the beginning were \$3,550,851 and \$2,052,616 for the years ended December 31, 2022 and 2021, respectively.

(22) Interest income

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------|-----------------------------------------|-----------------------------------------|
| Interest income | <hr/> <u>\$ 43,869</u> | <hr/> <u>\$ 22,263</u> |

(23) Other income

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-----------------|-----------------------------------------|-----------------------------------------|
| Grants income | \$ 766,423 | \$ 600,272 |
| Rental revenue | 216,474 | 199,156 |
| Dividend income | 121,126 | 82,168 |
| Other income | 624,396 | 630,984 |
| | <hr/> <u>\$ 1,728,419</u> | <hr/> <u>\$ 1,512,580</u> |

(24) Other gains and losses

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Gain from lease modification | \$ 53,170 | \$ 70,238 |
| Gain on disposal of investment property | 29,507 | 22,549 |
| Gain (Loss) on disposal of property, plant and equipment | (86,484) | (3,085) |
| Others | (116,094) | (34,817) |
| | <hr/> <u>(\$ 119,901)</u> | <hr/> <u>\$ 54,885</u> |

(25) Financial costs

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------|-----------------------------------------|-----------------------------------------|
| Interest expense | <hr/> <u>\$ 433,240</u> | <hr/> <u>\$ 404,229</u> |

(26) Expenses by nature

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|
| Net cost of goods sold | \$ 119,517,585 | \$ 109,478,428 |
| Incentive bonuses for franchisees | 24,418,945 | 22,365,078 |
| Depreciation and amortization | 12,071,298 | 11,052,031 |
| Employee benefit expenses | 7,583,938 | 6,922,452 |
| Utilities expense | 2,669,797 | 2,515,838 |
| Operating lease payments | 116,904 | 70,169 |
| Other costs and expenses | 10,400,702 | 9,808,502 |
| Total operating costs and operating expenses | <hr/> <u>\$ 176,779,169</u> | <hr/> <u>\$ 162,212,498</u> |

(27) Employee benefit expense

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------|-----------------------------------------|-----------------------------------------|
| Wages and salaries | \$ 6,292,331 | \$ 5,677,962 |
| Labor and health insurance fees | 526,243 | 521,308 |
| Pension costs | 267,860 | 250,511 |
| Directors' remuneration | 176,186 | 162,498 |
| Other personnel expenses | 321,318 | 310,173 |
| | <u>\$ 7,583,938</u> | <u>\$ 6,922,452</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, 2022 and 2021, employees' compensation was accrued at \$497,571 and \$455,764, respectively; while directors' remuneration was accrued at \$166,237 and \$152,269, 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, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$497,571 and \$166,237, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2021 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2021 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.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Current tax: | | |
| Current tax on profits for the year | \$ 1,487,675 | \$ 1,435,034 |
| Over provision of prior year's income tax | (16,546) | (42,797) |
| Total current tax | 1,471,129 | 1,392,237 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | (30,515) | (432,497) |
| Income tax expense | \$ 1,440,614 | \$ 959,740 |

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

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|--------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Changes in fair value of financial assets at fair value through other comprehensive income | \$ 1,187 | (\$ 7,095) |
| Remeasurement of defined benefit obligations | 94,969 | 18,633 |
| | <u>\$ 96,156</u> | <u>\$ 11,538</u> |

B. Reconciliation between income tax expense and accounting profit

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Tax calculated based on profit before tax and statutory tax rate | \$ 2,144,453 | \$ 1,964,272 |
| Expenses disallowed by tax regulation | (63,960) | (335,278) |
| Tax on profit for using equity method by domestic subsidiaries | (623,333) | (626,067) |
| Over provision of prior year's income tax | (16,546) | (42,797) |
| Investment tax credit | - | (390) |
| Income tax expense | \$ 1,440,614 | \$ 959,740 |

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

| | 2022 | | | |
|----------------------------------------------|----------------------------------------|---------------------------------|---------------------------------------------|-------------|
| | January 1 | Recognized in profit or loss | Recognized in other comprehensive income | December 31 |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | \$ 107 | \$ 235 | \$ - | \$ 342 |
| Unrealized expenses | 149,676 | 31,613 | - | 181,289 |
| Contract liabilities | 93,071 | 35,717 | - | 128,788 |
| Remeasurements of defined benefit obligation | 512,197 | - (94,969) | - | 417,228 |
| Others | 22,959 (3,959) | - | - | 19,000 |
| | 778,010 | 63,606 (94,969) | - | 746,647 |
| Deferred tax liabilities | | | | |
| Unrealized gain | (29,063) | 578 (1,187) | (29,672) | |
| Foreign investment income | (3,538,544) (33,669) | - | (3,572,213) | |
| | (3,567,607) (33,091) | (1,187) | (3,601,885) | |
| | (\$ 2,789,597) \$ 30,515 (\$ 96,156) | (\$ 96,156) | (\$ 2,855,238) | |
| | | | | |
| | 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) | (\$ 11,538) | (\$ 2,789,597) | |

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(29)Earnings per share

| | For the year ended December 31, 2022 | | |
|----------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------|---------------------------------|
| | 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 | \$ 9,281,650 | 1,039,622 | \$ 8.93 |
| Diluted earnings per share | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 9,281,650 | 1,039,622 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 2,119 | |
| Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 9,281,650 | 1,041,741 | \$ 8.91 |
| 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 |

(30)Supplemental cash flow information

Investing activities with partial cash payments

| | | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|----------------------------------------------|--|--------------------------------------|--------------------------------------|
| Purchase of property, plant and equipment | | \$ 7,210,428 | \$ 4,713,519 |
| Add: Opening balance of payable on equipment | | 852,044 | 772,571 |
| Less: Ending balance of payable on equipment | | (2,055,469) | (852,044) |
| Cash paid during the year | | \$ 6,007,003 | \$ 4,634,046 |

(31)Changes in liabilities from financing activities

| | 2022 | | | | | |
|------------------------------------------------|-----------------------|------------------------------------|------------------|-----------------------------|-------------------|---------------------------------------------|
| | Short-term borrowings | Short-term notes and bills payable | Dividend payable | Guarantee deposits received | Lease liabilities | Total liabilities from financing activities |
| At January 1 | \$ 3,500,000 | \$ - | \$ - | \$ 3,197,650 | \$ 53,469,386 | \$ 60,167,036 |
| Changes in cash flow from financing activities | 4,200,000 | - (9,356,600) | | 272,098 (8,419,696) | (13,304,198) | |
| Interest paid (Note) | - | - | - | - (347,557) | (347,557) | |
| Changes in other non-cash items | - | - | 9,356,600 | - | 13,106,377 | 22,462,977 |
| At December 31 | \$ 7,700,000 | \$ - | \$ - | \$ 3,469,748 | \$ 57,808,510 | \$ 68,978,258 |

Note: Presented in cash flows from operating activities.

| | 2021 | | | | | | Total liabilities from financing activities |
|------------------------------------------------|-----------------------|------------------------------------|------------------|-----------------------------|-------------------|---------------|---------------------------------------------|
| | Short-term borrowings | Short-term notes and bills payable | Dividend payable | Guarantee deposits received | Lease liabilities | | |
| 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.

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, 2022.

(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. | " |
| Tung Hsing 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, 2022 | For the year ended December 31, 2021 |
|---------------------------------------------|-----------------------------------------|-----------------------------------------|
| Commission revenue from collection services | | |
| Subsidiaries | \$ 519,606 | \$ 555,678 |
| Sister companies | 6,757,073 | 6,162,043 |
| Associates | 3 | 5 |
| | <u>\$ 7,276,682</u> | <u>\$ 6,717,726</u> |

B. Purchases (net of purchase rebate)

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 17,304,860 | \$ 15,832,285 |
| Subsidiaries | 7,265,161 | 6,218,480 |
| Sister companies | 5,137,993 | 4,676,063 |
| Associates | 223,617 | 208,430 |
| Other related parties | 786,927 | 729,009 |
| | <u>\$ 30,718,558</u> | <u>\$ 27,664,267</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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 54,342 | \$ 42,202 |
| Subsidiaries | 1,186,980 | 1,019,264 |
| Sister companies | 21,490 | 6,543 |
| Associates | 19,663 | 20,083 |
| Other related parties | 77,953 | 59,791 |
| | <u>\$ 1,360,428</u> | <u>\$ 1,147,883</u> |

D. Receivables (payables) from related parties

| Other receivables | December 31, 2022 | December 31, 2021 |
|-------------------------|---------------------|---------------------|
| Ultimate parent company | \$ 159,432 | \$ 169,945 |
| Subsidiaries | 2,465,936 | 2,333,143 |
| Sister companies | 323,995 | 301,833 |
| Associates | 19,203 | 17,956 |
| Other related parties | 3 | 1 |
| | <u>\$ 2,968,569</u> | <u>\$ 2,822,878</u> |

| Notes payable and accounts payable | December 31, 2022 | December 31, 2021 |
|------------------------------------|----------------------|----------------------|
| Ultimate parent company | \$ 452,953 | \$ 435,215 |
| Subsidiaries | 16,719,660 | 15,266,508 |
| Sister companies | 48,603 | 26,567 |
| Associates | 85,106 | 80,890 |
| Other related parties | 1,333 | 430 |
| | <u>\$ 17,307,655</u> | <u>\$ 15,809,610</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, 2022 | For the year ended December 31, 2021 |
|-------------------------|-----------------------------------------|-----------------------------------------|
| Ultimate parent company | \$ 6,985 | \$ - |
| Subsidiaries | - | \$ 8,314 |
| Other related parties | - | 26,178 |
| Total | \$ 6,985 | \$ 34,492 |

(c) Lease liabilities

| | December 31, 2022 | December 31, 2021 |
|-------------------------|-------------------|-------------------|
| Ultimate parent company | \$ 5,919 | \$ 404 |
| Subsidiaries | 40,208 | 52,278 |
| Associates | 36,737 | 45,946 |
| Sister companies | 40,206 | 48,194 |
| Other related parties | 361,462 | 412,654 |
| Total | \$ 484,532 | \$ 559,476 |

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, 2022 | Year ended December 31, 2021 |
|------------------|-------------------|---------------------------------|---------------------------------|
| | | Consideration | Consideration |
| Subsidiaries | Intangible assets | \$ 56,405 | \$ 60,780 |
| Sister companies | " | 1,600 | - |
| Associates | " | 96,206 | 118,842 |
| Total | | \$ 154,211 | \$ 179,622 |

(4) Key management compensation

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|------------------------------------|-----------------------------------------|-----------------------------------------|
| Other short-term employee benefits | \$ 251,651 | \$ 225,615 |

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED 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, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------|---------------------|---------------------|
| Financial assets | | |
| Financial assets at fair value through profit or loss | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 85,480 | \$ 85,480 |
| Financial assets at fair value through other comprehensive income | | |
| Designation of equity instrument | \$ 847,481 | \$ 1,165,909 |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | \$ 10,617,340 | \$ 10,719,621 |
| Accounts receivable, net | 740,136 | 733,144 |
| Other receivables | 4,391,775 | 4,320,660 |
| Other current assets (Note) | 15,582 | 239,422 |
| Guarantee deposit paid | 1,680,486 | 1,585,004 |
| | <hr/> \$ 17,445,319 | <hr/> \$ 17,597,851 |
| Financial liabilities | | |
| Financial liabilities at amortized cost | | |
| Short-term borrowings | \$ 7,700,000 | \$ 3,500,000 |
| Notes payable | 8,104,460 | 7,358,918 |
| Accounts payable | 11,914,554 | 11,553,906 |
| Other payables | 19,683,959 | 18,885,165 |
| Guarantee deposit received | 3,469,748 | 3,197,650 |
| | <hr/> \$ 50,872,721 | <hr/> \$ 44,495,639 |
| Lease liabilities | <hr/> \$ 57,808,510 | <hr/> \$ 53,469,386 |

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 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 currency.

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, 2022 | | |
|------------------------------------------------------|-------------------------------------------|------------------|---------------------|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| <u>Financial assets</u> | | | |
| <u>Non-monetary items</u> | | | |
| JPY: NTD | \$ 897,600 | 0.2324 | \$ 208,602 |
| <u>Investments accounted for using equity method</u> | | | |
| USD: NTD | 830,802 | 30.7100 | 25,513,915 |
| (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 |

IV. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company amounted to \$87 and (\$327) for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 would increase/decrease by \$1,275,696 and \$1,157,222, 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, 2022 and 2021 would increase/decrease by \$10,430 and \$10,133, 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 invested the price 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, 2022 and 2021 would have increased/decreased by \$4,274 and \$4,274, 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 \$42,374 and \$58,295, 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 follows up regularly. The Company assesses credit impairment loss to be immaterial as at December 31, 2022 and 2021.
- VI. The Company has no written-off financial assets that are still under recourse procedures on December 31, 2022 and 2021.

(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 as at December 31, 2022 and 2021.
- III. The Company has undrawn borrowing facilities beyond one year of \$22,191,127 and \$14,058,263 as of December 31, 2022 and 2021.
- 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 approximate to book value, maturing within one year, and expect for guarantee deposit received, maturing above three years, the amounts disclosed in the table are the contractual undiscounted cash flows.

| Non-derivative financial liabilities: | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Over 3 years |
|---------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| December 31, 2022 | | | | |
| Short-term borrowings | \$ 7,744,642 | \$ - | \$ - | \$ - |
| Lease liabilities | 8,629,502 | 8,396,665 | 8,022,497 | 34,667,207 |
| Non-derivative financial liabilities: | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Over 3 years |
| December 31, 2021 | | | | |
| Short-term borrowings | \$ 3,500,759 | \$ - | \$ - | \$ - |
| Lease liabilities | 8,263,489 | 8,092,149 | 7,519,834 | 31,177,635 |

- 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, 2022 | | | |
|-------------------------------|-------------------|------------|---------|--------------|
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Guarantee deposit paid | \$ 1,680,486 | \$ - | \$ - | \$ 1,618,751 |
| Financial liabilities: | | | | |
| Guarantee deposit received | \$ 3,469,748 | \$ - | \$ - | \$ 3,462,992 |

| | December 31, 2021 | | | |
|-------------------------------|-------------------|------------|---------|--------------|
| | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | |
| Guarantee deposit paid | \$ 1,585,004 | \$ - | \$ - | \$ 1,572,071 |
| Financial liabilities: | | | | |
| Guarantee deposit received | \$ 3,197,650 | \$ - | \$ - | \$ 3,176,369 |

(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, 2022 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------------------------------------|------------|---------|-----------|------------|
| Assets | | | | |
| Recurring fair value measurements | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | \$ - | \$ - | \$ 85,480 | \$ 85,480 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 843,133 | - | 4,348 | 847,481 |
| | \$ 843,133 | \$ - | \$ 89,828 | \$ 932,961 |

| December 31, 2021 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------------------------------------|--------------|---------|-----------|--------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | \$ - | \$ - | \$ 85,480 | \$ 85,480 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 1,161,561 | - | 4,348 | 1,165,909 |
| | \$ 1,161,561 | \$ - | \$ 89,828 | \$ 1,251,389 |

(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 by 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 parent company only balance sheet date. | |
| E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2. | |
| F. For the years ended December 31, 2022 and 2021, 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 is to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the resource of information is independent, reliable and in line with other resources, and represented as the exercisable price, and frequently 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 of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement is provided below: | |

| | Fair value at December 31, 2022 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|------------------------------------------|---------------------------------|--------------------------------------|---------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------|
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | \$ 89,828 | Market comparable Net asset value | Price to book ratio multiplier Net asset value | 2.42 - | The higher the multiplier, the higher the fair value The higher the net asset value, the higher the fair value |

| | 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 Net asset value | Price to book ratio multiplier Net asset value | 2.47 - | The higher the multiplier, the higher the fair 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, 2022 and 2021.

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, 2022
 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, 2022 | Balance at December 31, 2022 | 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 | \$ 48,000 | \$ 48,000 | \$ 48,000 | 0.85% | Short-term financing | \$ - | - Additional operating capital | \$ - | - None | \$ - | \$ 302,029 | \$ 302,029 | |

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, 2022
 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, 2022 | | | | 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 | 634,531 | 2.79 | 634,531 | |
| President Chain Store Corp. | Duskin Co., Ltd. | None | " | 300,000 | 208,602 | 0.61 | 208,602 | |
| 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. | UPAMC James Bond Money Market Fund | None | Financial assets at fair value through profit or loss – current | 1,180,491 | \$ 20,005 | - | \$ 20,005 | |
| Chieh Shun Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | 2,325,497 | 32,011 | - | 32,011 | |
| Uni-President Department Store Corp. | Jih Sun Money Market Fund | " | " | 8,651,751 | 130,389 | - | 130,389 | |
| President Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | 295,248 | 5,003 | - | 5,003 | |
| President Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | 3,597,260 | 49,517 | - | 49,517 | |
| President Pharmaceutical Corp. | Jih Sun Money Market Fund | " | " | 79,164 | 1,193 | - | 1,193 | |
| President Pharmaceutical Corp. | Taishin 1699 Money Market Fund | " | " | 10,393,748 | 143,072 | - | 143,072 | |
| President Drugstore Business Corp. | Taishin 1699 Money Market Fund | " | " | 10,897,045 | 150,000 | - | 150,000 | |

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, 2022
 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, 2022 | | Addition | | Disposal | | | Other increase (decrease) | | Balance as at December 31, 2022 | | |
|----------------------------------------------------|----------------------------------------------------|------------------------|-----------------------------------|--------------------------------|-------------------------------|------------|------------------|--------------|------------------|---------------|--------------|---------------------------|------------------|---------------------------------|------------------|------------|
| | | | | | 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: | | | | | | | | | | | | | | | | |
| Uni-President Department Store Corp. | Jih Sun Money Market Fund | Note 1 | Not applicable | Not applicable | 2,266,034 | \$ 33,961 | 232,141,455 | \$ 3,489,209 | 225,755,738 | \$ 3,393,359 | \$ 3,392,781 | \$ 578 | - | - | 8,651,751 | \$ 130,389 |
| President Information Corp. | FSITC Taiwan Money Market Fund | " | " | " | - | - | 31,007,739 | 480,000 | 31,007,739 | 480,317 | 480,000 | 317 | - | - | - | - |
| President Information Corp. | UPAMC James Bond Money Market Fund | " | " | " | - | - | 24,122,927 | 407,500 | 24,122,927 | 407,864 | 407,500 | 364 | - | - | - | - |
| Q-ware Systems & Services Corp. | Eastspring Investments Well Pool Money Market Fund | " | " | " | 28,384,280 | 390,000 | 46,394,863 | 638,000 | 74,779,143 | 1,028,719 | 1,028,000 | 719 | - | - | - | - |
| Q-ware Systems & Services Corp. | Jih Sun Money Market Fund | " | " | " | - | - | 18,769,754 | 282,000 | 18,769,754 | 282,875 | 282,000 | 875 | - | - | - | - |
| Books.com. Co., Ltd. | Union Money Market Fund | " | " | " | - | - | 173,256,403 | 2,315,000 | 173,256,403 | 2,315,611 | 2,315,000 | 611 | - | - | - | - |
| Books.com. Co., Ltd. | Yuanta Wan Tai Money Market Fund | " | " | " | - | - | 62,299,681 | 955,000 | 62,299,681 | 955,298 | 955,000 | 298 | - | - | - | - |
| Chieh Shun Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | " | 474,208 | 8,001 | 29,648,831 | 501,000 | 28,942,548 | 489,080 | 489,000 | 80 | - | 4 | 1,180,491 | 20,005 |
| Chieh Shun Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | " | 1,462,234 | 20,001 | 31,141,098 | 427,000 | 30,277,835 | 415,126 | 415,000 | 126 | - | 10 | 2,325,497 | 32,011 |
| President Drugstore Business Corp. | Taishin 1699 Money Market Fund | " | " | " | - | - | 250,775,409 | 3,440,000 | 239,878,364 | 3,290,554 | 3,290,000 | 554 | - | - | 10,897,045 | 150,000 |
| President Pharmaceutical Corp. | Taishin 1699 Money Market Fund | " | " | " | 4,986,489 | 68,208 | 79,125,667 | 1,084,800 | 73,718,408 | 1,010,347 | 1,010,017 | 330 | - | 81 | 10,393,748 | 143,072 |
| President Logistics International Corp. | UPAMC James Bond Money Market Fund | " | " | " | 296,389 | 5,001 | 26,422,175 | 446,500 | 26,423,316 | 446,568 | 446,499 | 69 | - | 1 | 295,248 | 5,003 |
| President Logistics International Corp. | Taishin 1699 Money Market Fund | " | " | " | 1,462,234 | 20,001 | 30,794,071 | 422,500 | 28,659,045 | 393,108 | 393,000 | 108 | - | 16 | 3,597,260 | 49,517 |
| Stock: | | | | | | | | | | | | | | | | |
| President Chain Store (Hong Kong) Holdings Limited | President Chain Store (Shanghai) Ltd. | Note 2 | Issuance of common stock for cash | Parent company to subsidiary | - | \$ 293,362 | - | \$ 356,130 | - | \$ - | \$ - | - | - | (\$ 290,593) | - | \$ 358,899 |

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, 2022
 Expressed in thousands of NTD
 (Except as otherwise indicated)

| Acquiring company | 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. | Hsinhui Section, Anle Dist., Keelung City | November 3, 2021 | \$763,960 | 100% of price was paid | Shun Chuan Warehousing Co., Ltd. | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Note 1 | Based on the comprehensive planning of the company | Not applicable |
| President Chain Store Corp. | No.240, Biliu Section, Beitun Dist., Taichung City | July 27, 2022 | 726,288 | 100% of price was paid | Natural Person | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Note 2 | Based on the comprehensive planning of the company | Not applicable |
| President Chain Store Corp. | Taoyuan Aerotropolis Industry Area | July 28, 2022 | 6,000,000 | The first installment of 600 million was paid | Taoyuan City Government and Civil Aeronautics Administration | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Based on the market conditions. (Note 3) | Based on the comprehensive planning of the company | Not applicable |

Note 1: Based on the appraisal results of Evermore Appraisers Firm (Appraisal amount \$778,631) and market conditions.

Note 2: Based on the appraisal results of Decision Internation Real Estate Appraiser Joint Office (Appraisal amount \$634,214) and market conditions.

Note 3: Public tendering land from Taoyuan City Government and Civil Aeronautics Administration.

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, 2022
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 | \$ 17,304,860 | 14 | Net 30~40 days from the end of the month when invoice is issued | No significant differences | No significant differences | (\$ 1,527,970) (8) | | |
| | Uni-President Superior Commissary Corp. | Subsidiary | " | 4,509,030 | 4 | Net 45 days from the end of the month when invoice is issued | " | " | (840,084) (4) | | |
| | Tung Ang Enterprises Corp. | Sister company | " | 2,301,043 | 2 | Net 30 days from the end of the month when invoice is issued | " | " | (187,207) (1) | | |
| | 21 Century Co., Ltd. | Subsidiary | " | 1,024,131 | 1 | Net 30~60 days from the end of the month when invoice is issued | " | " | (188,314) (1) | | |
| | President Pharmaceutical Corp. | " | " | 824,169 | 1 | Net 60~70 days from the end of the month when invoice is issued | " | " | (162,922) (1) | | |
| | Kai Ya Food Co., Ltd. | Sister company | " | 785,595 | 1 | Net 40 days from the end of the month when invoice is issued | " | " | (118,228) (1) | | |
| | Tait Marketing & Distribution Co., Ltd. | " | " | 684,936 | 1 | Net 20~70 days from the end of the month when invoice is issued | " | " | (115,496) (1) | | |
| | Lien Bo Corp. | " | " | 683,912 | 1 | Net 10~54 days from the end of the month when invoice is issued | " | " | (101,094) (1) | | |
| | Q-ware Systems & Services Corp. | Subsidiary | " | 675,507 | 1 | Net 40 days from the end of the month when invoice is issued | " | " | (134,200) (1) | | |
| | President Packaging Industrial Corp. | Sister company | " | 527,060 | - | Net 15~60 days from the end of the month when invoice is issued | " | " | (103,063) (1) | | |
| | President Transnet Corp. | Subsidiary | " | 504,162 | - | Net 60 days from the end of the month when invoice is issued | " | " | (87,481) | - | |
| | Kuang Chuan Dairy Co., Ltd. | Other related party | " | 453,868 | - | Net 30~65 days from the end of the month when invoice is issued | " | " | (125,320) (1) | | |
| | Wei Lih Food Industrial Co., Ltd. | " | " | 268,244 | - | Net 30~60 days from the end of the month when invoice is issued | " | " | (44,067) | - | |
| | ICASH Corp. | Subsidiary | " | 204,594 | - | Net 60 days from the end of the month when invoice is issued | " | " | (34,904) | - | |
| | President Drugstore Business Corp. | " | " | 150,069 | - | Net 30~60 days from the end of the month when invoice is issued | " | " | (39,335) | - | |
| | Mister Donut Taiwan Co., Ltd. | joint venture | " | 113,862 | - | Net 55~60 days from the end of the month when invoice is issued | " | " | (26,129) | - | |
| Capital Marketing Consultant Corp. | President Chain Store Corp. | Parent company | Service revenue | (270,408) (72) | | Net 45~65 days from the end of the month when invoice is issued | " | " | 57,533 | 68 | |
| Chieh Shun Logistics International Corp. | President Logistics International Corp. | " | Delivery revenue | (1,546,396) (67) | | Net 20 days from the end of the month when invoice is issued | " | " | 137,951 | 49 | |
| | President Transnet Corp. | Subsidiary of President Chain Store Corp. | " | (699,436) (30) | | Net 40 days from the end of the month when invoice is issued | " | " | 136,766 | 49 | |
| President Transnet Corp. | Chieh Shun Logistics International Corp. | " | Service cost | 699,436 | 7 | Net 40 days from the end of the month when invoice is issued | " | " | (136,766) (6) | | |
| | President Chain Store Corp. | Parent company | Sales revenue | (504,162) (57) | | Net 60 days from the end of the month when invoice is issued | " | " | 87,481 | 5 | |
| | President Collect Service Corp. | Subsidiary of President Chain Store Corp. | Service revenue | (259,166) (2) | | Net 30 days from the end of the month when invoice is issued | " | " | 28,853 | - | |
| | Books.com. Co., Ltd. | " | " | (110,993) (1) | | Net 30 days from the end of the month when invoice is issued | " | " | 8,966 | - | |
| Uni-Wonder Corp. | Uni-President Enterprises Corp. | Ultimate parent company | Purchases | 484,691 | 8 | Net 30 days from the end of the month when invoice is issued | " | " | (50,921) (6) | | |
| | Tong Zhan Corporation Ltd. | Other related party | " | 1,254,436 | 21 | Net 25 days from the end of the month when invoice is issued | " | " | (147,387) (16) | | |
| | Retail Support International Corp. | Subsidiary of President Chain Store Corp. | " | 276,691 | 5 | Net 29 days from the end of the month when invoice is issued | " | " | (27,246) (3) | | |

Appendix

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) | |
| | Tait Marketing & Distribution Co., Ltd. | Other related party | Purchases | \$ 182,323 | 3 | Net 30 days from the end of the month when invoice is issued | No significant differences | No significant differences | (\$ 38,123) | (4) | |
| | Kai Ya Food Co., Ltd. | " | " | 103,042 | 2 | Net 30 days from the end of the month when invoice is issued | " | " | (21,683) | (2) | |
| President Information Corp. | President Chain Store Corp. | Parent company | Service revenue | (1,139,968) | (64) | Net 30 days from the end of the month when invoice is issued | " | " | 235,884 | 62 | |
| | Uni-Wonder Corp. | Subsidiary of President Chain Store Corp. | " | (113,726) | (6) | Net 45 days from the end of the month when invoice is issued | " | " | 20,645 | 5 | |
| | President Transnet Corp. | " | " | (100,898) | (6) | Net 45 days from the end of the month when invoice is issued | " | " | 25,578 | 7 | |
| President Logistics International Corp. | Chieh Shun Logistics International Corp. | Subsidiary | Service cost | 1,546,396 | 39 | Net 20 days from the end of the month when invoice is issued | " | " | (137,951) | (32) | |
| | Retail Support International Corp. | Parent company | Delivery revenue | (966,564) | (23) | Net 20 days from the end of the month when invoice is issued | " | " | 94,622 | 21 | |
| | Uni-President Cold-Chain Corp. | Subsidiary of President Chain Store Corp. | " | (1,374,879) | (33) | Net 20 days from the end of the month when invoice is issued | " | " | 135,743 | 31 | |
| | Wisdom Distribution Service Corp. | " | " | (1,520,093) | (37) | Net 20 days from the end of the month when invoice is issued | " | " | 174,633 | 40 | |
| Retail Support International Corp. | President Logistics International Corp. | Subsidiary | Service cost | 966,564 | 49 | Net 20 days from the end of the month when invoice is issued | " | " | (94,622) | (46) | |
| | Retail Support Taiwan Corp. | " | " | 322,597 | 16 | Net 15-20 days from the end of the month when invoice is issued | " | " | (25,632) | (13) | |
| | Uni-Wonder Corp. | Subsidiary of President Chain Store Corp. | Delivery revenue | (276,691) | (8) | Net 29 days from the end of the month when invoice is issued | " | " | 27,246 | 11 | |
| Uni-President Cold-Chain Corp. | President Logistics International Corp. | " | Service cost | 1,374,879 | 39 | Net 20 days from the end of the month when invoice is issued | " | " | (135,743) | (2) | |
| Wisdom Distribution Service Corp. | President Logistics International Corp. | " | " | 1,520,093 | 40 | Net 20 days from the end of the month when invoice is issued | " | " | (174,633) | (38) | |
| | Books.com Co., Ltd. | " | Service revenue | (301,652) | (7) | Net 30-90 days from the end of the month when invoice is issued | " | " | 29,544 | 39 | |
| Q-ware Systems & Services Corp. | President Chain Store Corp. | Parent company | " | (675,507) | (42) | Net 40 days from the end of the month when invoice is issued | " | " | 134,200 | 53 | |
| President Drugstore Business Corp. | President Pharmaceutical Corp. | Subsidiary of President Chain Store Corp. | Purchases | 560,835 | 5 | Net 70 days from the end of the month when invoice is issued | " | " | (26,288) | (1) | |
| | President Chain Store Corp. | Parent company | Sales revenue | (150,069) | (1) | Net 30-60 days from the end of the month when invoice is issued | " | " | 39,335 | 7 | |
| | President Fair Development Corp. | Other related party | Purchases | 157,830 | 1 | Net 30 days from the end of the month when invoice is issued | " | " | (47,883) | (3) | |
| | Uni-President Enterprises Corp. | Ultimate parent company | " | 100,909 | 1 | Net 30-60 days from the end of the month when invoice is issued | " | " | (4,339) | - | |
| President Pharmaceutical Corp. | President Drugstore Business Corp. | Subsidiary of President Chain Store Corp. | Sales revenue | (560,835) | (25) | Net 70 days from the end of the month when invoice is issued | " | " | 26,288 | 5 | |
| | President Chain Store Corp. | Parent company | " | (824,169) | (37) | Net 60-70 days from the end of the month when invoice is issued | " | " | 162,922 | 31 | |
| Uni-President Superior Commissary Corp. | President Chain Store Corp. | " | " | (4,509,030) | (96) | Net 45 days from the end of the month when invoice is issued | " | " | 840,084 | 95 | |
| | Uni-President Enterprises Corp. | Ultimate parent company | Purchases | 217,303 | 7 | Net 60 days from the end of the month when invoice is issued | " | " | (45,292) | (5) | |
| | Koasa Yamako Corp. | Other related party | " | 247,843 | 8 | Net 60 days from the end of the month when invoice is issued | " | " | (64,246) | (7) | |
| | 21 Century Co., Ltd. | Subsidiary of President Chain Store Corp. | Sales revenue | (147,757) | (3) | Net 60 days from the end of the month when invoice is issued | " | " | 37,708 | 4 | |
| 21 Century Co., Ltd. | President Chain Store Corp. | Parent company | " | (1,024,131) | (50) | Net 30-60 days from the end of the month when invoice is issued | " | " | 188,314 | 62 | |
| | Uni-President Superior Commissary Corp. | Subsidiary of President Chain Store Corp. | Purchases | 147,757 | 11 | Net 60 days from the end of the month when invoice is issued | " | " | (37,708) | (11) | |
| Retail Support Taiwan Corp. | Retail Support International Corp. | Parent company | Delivery revenue | (322,597) | (93) | Net 15-20 days from the end of the month when invoice is issued | " | " | 25,632 | 79 | |

| 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) | |
| Duskin Serve Taiwan Co., Ltd. | President Chain Store Corp. | Parent company | Service revenue | (\$ 282,323) | (17) | Net 15~60 days from the end of the month when invoice is issued | No significant differences | No significant differences | \$ 58,506 | 26 | |
| Zhejiang Uni-Champion Logistics Development Co., Ltd | Shanghai President Logistics Co., Ltd. | " | Delivery revenue | (111,306) | (23) | Net 80 days from the end of the month when invoice is issued | " | " | 30,189 | 34 | |
| Shanghai President Logistics Co., Ltd. | Zhejiang Uni-Champion Logistics Development Co., Ltd | Subsidiary | Service cost | 111,306 | 17 | Net 80 days from the end of the month when invoice is issued | " | " | (30,189) | (27) | |
| President Logistic ShanDong Co., Ltd. | Shan Dong President Yinzuo Commercial Limited | Subsidiary of President Chain Store Corp. | Delivery revenue | (123,122) | (93) | Net 30 days from the end of the month when invoice is issued | " | " | 10,513 | 86 | |
| Shan Dong President Yinzuo Commercial Limited | President Logistic ShanDong Co., Ltd. | " | Service cost | 123,122 | 6 | Net 30 days from the end of the month when invoice is issued | " | " | (10,513) | (2) | |
| ICASH Corp. | President Chain Store Corp. | Parent company | Sales revenue | (204,594) | (24) | Net 60 days from the end of the month when invoice is issued | " | " | 34,904 | 32 | |
| | President Chain Store Corp. | " | Service revenue | (184,997) | (22) | Net 60 days from the end of the month when invoice is issued | " | " | 26,543 | 24 | |
| President Collect Service Corp. | President Transnet Corp. | Subsidiary of President Chain Store Corp. | Service cost | 259,166 | 93 | Net 30 days from the end of the month when invoice is issued | " | " | (28,853) | (100) | |

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, 2022
 Expressed in thousands of NTD
 (Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as of December 31, 2022 | 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 | \$ 235,884 | 4.22 | \$ - | None | \$ 114,674 | \$ - |
| Uni-President Superior Commissary Corp. | President Chain Store Corp. | " | 840,084 | 5.81 | - | " | 418,252 | - |
| Q-ware Systems & Services Corp. | President Chain Store Corp. | " | 134,200 | 5.38 | - | " | 74,050 | - |
| President Pharmaceutical Corp. | President Chain Store Corp. | " | 162,922 | 6.05 | - | " | 39,694 | - |
| 21 Century Co., Ltd. | President Chain Store Corp. | " | 188,314 | 5.87 | - | " | 164,723 | - |
| President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary of President Chain Store Corp. | 174,633 | 8.56 | - | " | - | - |
| President Logistics International Corp. | Uni-President Cold-Chain Corp. | " | 135,743 | 11.04 | - | " | - | - |
| Chieh Shun Logistics International Corp. | President Logistics International Corp. | " | 137,951 | 11.32 | - | " | - | - |
| Chieh Shun Logistics International Corp. | President Transnet Corp. | " | 136,766 | 5.16 | - | " | 48,571 | - |

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods

Table 7

For the year ended December 31, 2022
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 | (\$ 565,886) | 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 | (270,408) | Net 45~60 days from the end of the month when invoice is issued | 0.09 |
| 3 | President Information Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (1,139,968) | Net 30 days from the end of the month when invoice is issued | 0.39 |
| 3 | President Information Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 235,884 | Net 30 days from the end of the month when invoice is issued | 0.10 |
| 3 | President Information Corp. | Uni-Wonder Corp. | Subsidiary to subsidiary | Service revenue | (113,726) | Net 45 days from the end of the month when invoice is issued | 0.04 |
| 3 | President Information Corp. | President Transnet Corp. | Subsidiary to subsidiary | Service revenue | (100,898) | Net 45 days from the end of the month when invoice is issued | 0.03 |
| 4 | Q-ware Systems & Services Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (675,507) | Net 40 days from the end of the month when invoice is issued | 0.23 |
| 4 | Q-ware Systems & Services Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 134,200 | Net 40 days from the end of the month when invoice is issued | 0.06 |
| 5 | Uni-President Superior Commissary Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (4,509,030) | Net 45 days from the end of the month when invoice is issued | 1.55 |
| 5 | Uni-President Superior Commissary Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 840,084 | Net 45 days from the end of the month when invoice is issued | 0.36 |
| 5 | Uni-President Superior Commissary Corp. | 21 Century Co., Ltd. | Subsidiary to subsidiary | Sales revenue | (147,757) | Net 60 days from the end of the month when invoice is issued | 0.05 |
| 6 | President Pharmaceutical Corp. | President Drugstore Business Corp. | Subsidiary to subsidiary | Sales revenue | (560,835) | Net 70 days from the end of the month when invoice is issued | 0.19 |
| 6 | President Pharmaceutical Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (824,169) | Net 60~70 days from the end of the month when invoice is issued | 0.28 |
| 6 | President Pharmaceutical Corp. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 162,922 | Net 60~70 days from the end of the month when invoice is issued | 0.07 |
| 7 | President Transnet Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (504,162) | Net 60 days from the end of the month when invoice is issued | 0.17 |
| 7 | President Transnet Corp. | President Collect Service Corp. | Subsidiary to subsidiary | Service revenue | (259,166) | Net 30 days from the end of the month when invoice is issued | 0.09 |
| 7 | President Transnet Corp. | Books.com. Co., Ltd. | Subsidiary to subsidiary | Service revenue | (110,993) | Net 30 days from the end of the month when invoice is issued | 0.04 |
| 8 | Chieh Shun Logistics International Corp. | President Logistics International Corp. | Subsidiary to subsidiary | Delivery revenue | (1,546,396) | Net 20 days from the end of the month when invoice is issued | 0.53 |
| 8 | Chieh Shun Logistics International Corp. | President Logistics International Corp. | Subsidiary to subsidiary | Accounts receivable | 137,951 | 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 | Delivery revenue | (699,436) | Net 40 days from the end of the month when invoice is issued | 0.24 |
| 8 | Chieh Shun Logistics International Corp. | President Transnet Corp. | Subsidiary to subsidiary | Accounts receivable | 136,766 | Net 40 days from the end of the month when invoice is issued | 0.06 |
| 9 | President Logistics International Corp. | Retail Support International Corp. | Subsidiary to subsidiary | Delivery revenue | (966,564) | Net 20 days from the end of the month when invoice is issued | 0.33 |
| 9 | President Logistics International Corp. | Uni-President Cold-Chain Corp. | Subsidiary to subsidiary | Delivery revenue | (1,374,879) | Net 20 days from the end of the month when invoice is issued | 0.47 |
| 9 | President Logistics International Corp. | Uni-President Cold-Chain Corp. | Subsidiary to subsidiary | Accounts receivable | 135,743 | Net 20 days from the end of the month when invoice is issued | 0.06 |
| 9 | President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary to subsidiary | Delivery revenue | (1,520,093) | Net 20 days from the end of the month when invoice is issued | 0.52 |
| 9 | President Logistics International Corp. | Wisdom Distribution Service Corp. | Subsidiary to subsidiary | Accounts receivable | 174,633 | Net 20 days from the end of the month when invoice is issued | 0.07 |
| 10 | Duskin Serve Taiwan Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (282,323) | Net 15~60 days from the end of the month when invoice is issued | 0.10 |

| Number | Company name | Counterparty | Relationship | Transaction | | | | Percentage of consolidated total operating revenues or total assets |
|--------|------------------------------------------------------|-----------------------------------------------|------------------------------|------------------------|----------------|-----------------------------------------------------------------|--|---------------------------------------------------------------------|
| | | | | General ledger account | Amount | Transaction terms | | |
| 11 | 21 Century Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (\$ 1,024,131) | Net 30~60 days from the end of the month when invoice is issued | | 0.35 |
| 11 | 21 Century Co., Ltd. | President Chain Store Corp. | Subsidiary to parent company | Accounts receivable | 188,314 | 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 | (301,652) | Net 30~90 days from the end of the month when invoice is issued | | 0.10 |
| 13 | Retail Support Taiwan Corp. | Retail Support International Corp. | Subsidiary to subsidiary | Delivery revenue | (322,597) | Net 15~20 days from the end of the month when invoice is issued | | 0.11 |
| 14 | Zhejiang Uni-Champion Logistics Development Co., Ltd | Shanghai President Logistics Co., Ltd. | Subsidiary to subsidiary | Delivery revenue | (111,306) | Net 80 days from the end of the month when invoice is issued | | 0.04 |
| 15 | President Logistic ShanDong Co., Ltd. | Shan Dong President Yinzuo Commercial Limited | Subsidiary to subsidiary | Delivery revenue | (123,122) | Net 30 days from the end of the month when invoice is issued | | 0.04 |
| 16 | ICASH Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (204,594) | Net 60 days from the end of the month when invoice is issued | | 0.07 |
| 16 | ICASH Corp. | President Chain Store Corp. | Subsidiary to parent company | Service revenue | (184,997) | Net 60 days from the end of the month when invoice is issued | | 0.06 |
| 17 | Retail Support International Corp. | Uni-Wonder Corp. | Subsidiary to subsidiary | Delivery revenue | (276,691) | Net 29 days from the end of the month when invoice is issued | | 0.10 |
| 18 | President Drugstore Business Corp. | President Chain Store Corp. | Subsidiary to parent company | Sales revenue | (150,069) | Net 30~60 days from the end of the month when invoice is issued | | 0.05 |

Note: Transaction among the company and subsidiaries with amount over NTD\$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, 2022
 Expressed in thousands of NTD
 (Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2022 | | | Net profit (loss) of the investee for the year ended December 31, 2022 | Investment income (loss) recognized by the Company for the year ended December 31, 2022 | Footnote |
|-----------------------------|---------------------------------------------------------------|------------------------|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------|
| | | | | Balance as at December 31, 2022 | Balance as at December 31, 2021 | 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 | \$ 25,442,996 | \$ 289,665 | \$ 289,665 | 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 | 1,797,884 | 321,609 | 321,610 | Subsidiary |
| President Chain Store Corp. | President Transnet Corp. | Taiwan | Delivery service | 711,576 | 711,576 | 103,496,399 | 70.00 | 2,376,245 | 1,344,193 | 940,936 | 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 | 820,340 | 189,426 | 153,191 | 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 | 715,589 | 133,164 | 98,195 | Subsidiary |
| President Chain Store Corp. | Uni-President Department Store Corp. | Taiwan | Department stores | 840,000 | 840,000 | 27,999,999 | 70.00 | 484,090 | 156,673 | 109,671 | Subsidiary |
| President Chain Store Corp. | Uni-President Superior Commissary Corp. | Taiwan | Fresh food manufacture | 520,141 | 520,141 | 48,519,890 | 90.00 | 567,811 | 74,093 | 66,837 | 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 | 1,022,870 | 429,821 | 257,892 | Subsidiary |
| President Chain Store Corp. | President Information Corp. | Taiwan | Enterprise information management and consultancy | 320,741 | 320,741 | 25,714,475 | 86.00 | 513,883 | 96,422 | 82,923 | Subsidiary |
| President Chain Store Corp. | Q-ware Systems & Services Corp. | Taiwan | Information software services | 332,482 | 332,482 | 24,382,921 | 86.76 | 420,994 | 114,572 | 99,510 | Subsidiary |
| President Chain Store Corp. | Wisdom Distribution Service Corp. | Taiwan | Logistics and storage of publication and e-commerce | 50,000 | 50,000 | 40,591,436 | 100.00 | 904,525 | 359,919 | 359,808 | Subsidiary |
| President Chain Store Corp. | Books.com Co., Ltd. | Taiwan | Retail business without shop | 100,400 | 100,400 | 9,999,999 | 50.03 | 317,655 | 214,956 | 107,522 | Subsidiary |
| President Chain Store Corp. | President Lanyang Art Corporation | Taiwan | Art and cultural exhibition | 20,000 | 20,000 | 2,000,000 | 100.00 | 24,834 | (55) | (55) | 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 | 237,178 | 203,833 | 103,955 | Subsidiary |
| President Chain Store Corp. | ICASH Corp. | Taiwan | Electronic ticketing and electronic payment | 700,000 | 700,000 | 70,000,000 | 100.00 | 418,981 | (51,550) | (51,550) | 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 | 778,387 | 190,928 | 38,185 | Note |
| President Chain Store Corp. | Uni-Wonder Corp. | Taiwan | Coffee chain store | 3,286,206 | 3,286,206 | 21,382,674 | 60.00 | 4,941,483 | 699,227 | 326,340 | Subsidiary |
| President Chain Store Corp. | Retail Support International Corp. | Taiwan | Room-temperature logistics and warehousing | 91,414 | 91,414 | 6,429,999 | 25.00 | 185,572 | 195,521 | 48,880 | Subsidiary |
| President Chain Store Corp. | Presicarre Corp. | Taiwan | Management of retail department store | 7,112,028 | 7,112,028 | 145,172,360 | 19.50 | 4,868,968 | 1,463,083 | 41,442 | 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 | 2,177,267 | 283,027 | 53,775 | Note |
| President Chain Store Corp. | President International Development Corp. | Taiwan | Professional investment | 500,000 | 500,000 | 44,100,000 | 3.33 | 469,939 | 188,736 | 6,691 | Note |
| President Chain Store Corp. | Tung Ho Development Corp. | Taiwan | Management of entertainment business | 861,696 | 861,696 | 9,965,000 | 6.23 | 55,640 | (73,279) | (4,565) | Note |
| President Chain Store Corp. | Ren-Hui Investment Corp. | Taiwan | Professional investment | 637,231 | 637,231 | 6,500,000 | 100.00 | 26,587 | (20,678) | (21,472) | Subsidiary |
| President Chain Store Corp. | Capital Marketing Consultant Corp. | Taiwan | Enterprise management consultancy | 9,506 | 9,506 | 2,500,000 | 100.00 | 98,978 | 52,812 | 52,782 | Subsidiary |
| President Chain Store Corp. | PCSC (China) Drugstore Limited | British Virgin Islands | Professional investment | 277,805 | 277,805 | 8,746,008 | 92.20 | 70,919 | 361 | 333 | 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 | 40,621 | 21,869 | 21,870 | Subsidiary |
| President Chain Store Corp. | Cold Stone Creamery Taiwan Ltd. | Taiwan | Sales of ice cream | 170,000 | 170,000 | 12,244,390 | 100.00 | 34,137 | 8,179 | 8,179 | Subsidiary |
| President Chain Store Corp. | President Being Corp. | Taiwan | Sports and entertainment business | 170,000 | 170,000 | 1,500,000 | 100.00 | (149,767) | (50,921) | (50,921) | Subsidiary |
| President Chain Store Corp. | 21 Century Co., Ltd. | Taiwan | Operation of chain restaurants | 160,680 | 160,680 | 10,000,000 | 100.00 | 186,243 | 41,327 | 41,327 | 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 | 87,102 | 3,222 | 3,222 | Subsidiary |
| President Chain Store Corp. | Uni-President Oven Bakery Corp. | Taiwan | Bread and pastry retailer | 681,300 | 391,300 | 29,000,000 | 100.00 | 28,591 | (113,698) | (113,698) | Subsidiary |
| President Chain Store Corp. | President Collect Service Corp. | Taiwan | Collection agent | 10,500 | 10,500 | 1,049,999 | 70.00 | 88,577 | 95,274 | 66,691 | Subsidiary |
| President Chain Store Corp. | Mister Donut Taiwan Co., Ltd. | Taiwan | Bakery retailer | 200,000 | 200,000 | 7,500,049 | 50.00 | 128,048 | 77,954 | 38,977 | Note |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2022 | | | Net profit (loss) of the investee for the year ended December 31, 2022 | Investment income (loss) recognized by the Company for the year ended December 31, 2022 | Footnote |
|----------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------|
| | | | | Balance as at December 31, 2022 | Balance as at December 31, 2021 | Number of shares | Ownership (%) | Book value | | | |
| President Chain Store Corp. | Uni-President Organics Corp. | Taiwan | Health care products and organic food | \$ 47,190 | \$ 47,190 | 1,833,333 | 36.67 | \$ 49,668 | \$ 39,397 | \$ 14,447 | Note |
| President Chain Store Corp. | President Technology Corp. | Taiwan | Software development and telephone customer service | 7,500 | 7,500 | 750,000 | 15.00 | 27,583 | 55,731 | 8,359 | Note |
| President Chain Store Corp. | Connection Labs Ltd. | Taiwan | Other software and internet-related | 202,963 | 102,963 | 21,722,779 | 100.00 | 28,788 | (111,083) | (111,071) | Subsidiary |
| Capital Marketing Consultant Corp. | Uni-Capital Marketing Consultant Holding Co. Ltd. | British Virgin Islands | Professional investment | 14,868 | - | 463,907 | 100.00 | 11,872 | (3,003) | (3,003) | Subsidiary of a subsidiary |
| Mech-President Corp. | Tong Ching Corporation | Taiwan | Gas station | 9,600 | 9,600 | 960,000 | 60.00 | 23,469 | 7,647 | 4,588 | Subsidiary of a subsidiary |
| President Chain Store (Hong Kong) Holdings Limited | PCSC (China) Drugstore Limited | British Virgin Islands | Professional investment | 22,725 | 22,725 | 740,000 | 7.80 | 6,000 | 361 | 28 | Subsidiary of a subsidiary |
| President Chain Store (BVI) Holdings Ltd. | President Chain Store (Labuan) Holdings Ltd. | Malaysia | Professional investment | 2,197,589 | 2,078,863 | 71,559,390 | 100.00 | 2,824,076 | 573,420 | 573,420 | Subsidiary of a subsidiary |
| President Chain Store (BVI) Holdings Ltd. | President Chain Store (Hong Kong) Holdings Limited | Hong Kong | Professional investment | 4,783,295 | 4,783,295 | 134,603,354 | 100.00 | 3,164,190 | (522,434) | (522,434) | Subsidiary of a subsidiary |
| President Chain Store (Labuan) Holdings Ltd. | Philippine Seven Corp. | Philippines | Convenience store | 2,196,728 | 2,078,003 | 418,467,647 | 55.32 | 2,822,788 | 1,129,151 | 573,790 | Subsidiary of a subsidiary |
| President Logistics International Corp. | Chieh Shun Logistics International Corp. | Taiwan | Trucking | 180,000 | 180,000 | 26,670,000 | 100.00 | 351,169 | 46,106 | 46,106 | 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 | (30,406) | (37,261) | (37,261) | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Books.com. Co., Ltd. | Taiwan | Retail business without shop | - | - | 1 | - | - | 214,956 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Uni-President Department Store Corp. | Taiwan | Department stores | - | - | 1 | - | - | 156,673 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Mech-President Corp. | Taiwan | Gas station, installment and maintenance of elevators | - | - | 1 | - | - | 189,426 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Information Corp. | Taiwan | Enterprise information management and consultancy | - | - | 1 | - | - | 96,422 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Transnet Corp. | Taiwan | Delivery service | - | - | 1 | - | - | 1,344,193 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Q-ware Systems & Services Corp. | Taiwan | Information software services | - | - | 1 | - | - | 114,572 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Duskin Serve Taiwan Co., Ltd. | Taiwan | Cleaning instruments leasing and selling | - | - | 1 | - | - | 203,833 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Pharmaceutical Corp. | Taiwan | Sales of various health care products, cosmetics, and pharmaceuticals | - | - | 1 | - | - | 133,164 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Mister Donut Taiwan Co., Ltd. | Taiwan | Bakery retailer | - | - | 1 | - | - | 77,954 | - | Note |
| Ren-Hui Investment Corp. | Uni-President Superior Commissary Corp. | Taiwan | Fresh food manufacture | - | - | 1 | - | - | 74,093 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Uni-President Cold-Chain Corp. | Taiwan | Low-temperature logistics and warehousing | - | - | 1 | - | - | 429,821 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | Retail Support International Corp. | Taiwan | Room-temperature logistics and warehousing | - | - | 1 | - | - | 195,521 | - | Subsidiary of a subsidiary |
| Ren-Hui Investment Corp. | President Collect Service Corp. | Taiwan | Collection agent | - | - | 1 | - | - | 95,273 | - | 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 | 4,967 | (23,875) | (23,875) | 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 | 71,244 | 42,608 | 21,730 | Subsidiary of a subsidiary |
| Retail Support International Corp. | President Logistics International Corp. | Taiwan | Trucking | 44,975 | 44,975 | 9,481,500 | 49.00 | 189,506 | 91,657 | 44,912 | Subsidiary of a subsidiary |
| Retail Support Taiwan Corp. | President Logistics International Corp. | Taiwan | Trucking | 5,425 | 5,425 | 1,161,000 | 6.00 | 23,205 | 91,657 | 5,499 | Subsidiary of a subsidiary |
| Uni-President Cold-Chain Corp. | President Logistics International Corp. | Taiwan | Trucking | 23,850 | 23,850 | 4,837,500 | 25.00 | 96,687 | 91,657 | 22,914 | 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 | 120,444 | 3,641 | 3,641 | Subsidiary of a subsidiary |
| Wisdom Distribution Service Corp. | President Logistics International Corp. | Taiwan | Trucking | 18,850 | 18,850 | 3,870,000 | 20.00 | 77,349 | 91,657 | 18,331 | Subsidiary of a subsidiary |
| Philippine Seven Corp. | Convenience Distribution Inc. | Philippines | Logistic, warehousing and retail | 24,798 | 24,798 | 12,500,000 | 100.00 | 24,798 | 6,692 | - | Subsidiary of a subsidiary |
| Philippine Seven Corp. | Store Sites Holding, Inc. | Philippines | Professional investment | 26,860 | 26,860 | 40,000 | 100.00 | 26,860 | 935 | - | 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, 2022
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, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 | Net profit/(loss) of investee for the year ended December 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income/(loss) recognized by the Company for the year ended December 31, 2022 | Book value of investments in December 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022 | Footnote |
|----------------------------------------------------------|-----------------------------------------------------------------------|-----------------|-------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| President Cosmed Chain Store (Shen Zhen) Co., Ltd. | Wholesale of merchandise | \$ 445,163 | Note 1 | \$ 289,205 | \$ - | \$ - | \$ 289,205 | \$ 473 | 100.00 | \$ 471 | \$ 76,633 | \$ - | Note 2 |
| President Chain Store (Shanghai) Ltd. | Convenience Store | 3,116,141 | Note 1 | 2,760,011 | 356,130 | - | 3,116,141 | (295,663) | 100.00 | (295,666) | 358,899 | - | Note 2 |
| Shanghai President Logistic Co., Ltd. | Logistics and warehousing | 61,420 | Note 1 | 61,420 | - | - | 61,420 | 23,156 | 100.00 | 23,156 | 628,782 | - | Note 2 |
| Shan Dong President Yinzuo Commercial Limited | Supermarkets | 267,098 | Note 1 | 125,246 | - | - | 125,246 | (161,948) | 55.00 | (87,560) | (26,183) | 7,985 | Note 2 |
| President (Shanghai) Health Product Trading Company Ltd. | Sales of various health care products, cosmetics, and pharmaceuticals | 174,313 | Note 1 | 174,313 | - | - | 174,313 | (34,721) | 73.74 | (25,603) | (39,580) | 57,077 | Note 2 |
| Zhejiang Uni-Champion Logistics Development Co., Ltd. | Logistics and warehousing | 178,065 | Note 1 | 174,383 | - | - | 174,383 | 7,451 | 80.00 | 6,083 | 192,970 | 26,175 | Note 2 |
| President Chain Store (Taizhou) Ltd. | Logistics and warehousing | 267,098 | Note 1 | 267,098 | - | - | 267,098 | 28,138 | 100.00 | 28,139 | 457,286 | - | Note 2 |
| President Logistic ShanDong Co., Ltd. | Logistics and warehousing | 222,582 | Note 1 | 222,582 | - | - | 222,582 | 13,905 | 100.00 | 15,350 | 239,590 | - | Note 2 |
| President Chain Store (Zhejiang) Ltd. | Convenience Store | 934,842 | Note 1 | 934,842 | - | - | 934,842 | (200,448) | 100.00 | (200,449) | 161,620 | - | Note 2 |
| Beauty Wonder (Zhejiang) Co., Ltd. | Sales of cosmetics and daily items | 267,098 | Note 1 | 267,098 | - | - | 267,098 | (36,480) | 100.00 | (36,480) | 93,031 | - | Note 2 |
| Uni-Capital Marketing Consultant Corp. | Management Consulting | 13,355 | Note 1 | - | 13,355 | - | 13,355 | (3,000) | 100.00 | (3,001) | 10,340 | - | 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, 2022 | 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. | \$ 5,122,683 | \$ 9,865,546 | \$ 27,388,850 |
| President Pharmaceutical Corp. | 174,313 | 174,313 | 453,044 |
| Uni-Capital Marketing Consultant Corp. | 13,355 | 13,355 | 80,000 |
| Uni-President Cold-Chain Corp. | 91,130 | 91,130 | 1,010,546 |
| Ren-Hui Investment Corp. | 52,922 | 52,922 | 80,000 |

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

December 31, 2022

Table 10

| Shareholder name | Shares held as at December 31, 2022 | |
|---------------------------------|-------------------------------------|---------------|
| | 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

Statement 1 DECEMBER 31, 2022
Expressed in thousands of NTD

| Item | Description | Amount |
|---------------------------------------|------------------------------------------------------------------|---------------|
| Petty cash in store | | \$ 1,047,270 |
| Demand deposits and checking accounts | | 8,271,725 |
| Cash equivalents | | |
| Short-term financial instruments | Due dates are within one month, and interest rates are at 1.03%. | 1,298,345 |
| | | \$ 10,617,340 |

PRESIDENT CHAIN STORE CORP.
STATEMENT OF INVENTORIES

Statement 2 DECEMBER 31, 2022
Expressed in thousands of NTD

| Item | Description | Amount | | Footnote |
|------------------------------------|-------------|---------------|---------------|-----------------------------------------------|
| | | Cost | Market value | |
| Merchandise | | \$ 11,627,892 | \$ 13,527,810 | The net realizable value is the market value. |
| Less: Allowance for valuation loss | | (58,273) | | |
| | | \$ 11,569,619 | | |

PRESIDENT CHAIN STORE CORP.
**STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME – NON-CURRENT**

Statement 3 FOR THE YEAR ENDED DECEMBER 31, 2022
Expressed in thousands of NTD

| Name | Balance as of January 1, 2022 | | Additions | | Decreases (Note) | | Balance as of December 31, 2022 | | Collateral |
|----------------------------|----------------------------------|--------------|---------------------|--------|---------------------|--------------|------------------------------------|------------|------------|
| | Number of shares | Book value | Number of shares | Amount | Number of shares | Amount | Number of shares | Book value | |
| Listed stocks | | | | | | | | | |
| President Securities Corp. | 40,545,111 | \$ 140,534 | - | \$ - | - | \$ - | 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 | | 895,955 | | - | | (318,428) | | 577,527 | |
| | | \$ 1,165,909 | | \$ - | | (\$ 318,428) | | \$ 847,481 | |

Note: The amount decreased this year due to investee measured at fair value.

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR
LOSS – NON-CURRENT

Statement 4

FOR THE YEAR ENDED DECEMBER 31, 2022
 Expressed in thousands of NTD

| Name | Balance as of January 1, 2022 | | Additions | | Decreases | | Balance as of December 31, 2022 | | Collateral |
|----------------------------------|----------------------------------|-------------|---------------------|-------------|---------------------|-------------|------------------------------------|------------------|------------|
| | Number of shares | Book value | Number of shares | Amount | Number of shares | Amount | Number of shares | Book value | |
| Unlisted stocks | | | | | | | | | |
| Kaohsiung Rapid Transit Corp. | 2,572,127 | \$ 203,714 | - | \$ - | - | \$ - | 2,572,127 | \$ 203,714 | None |
| Career Consulting Co. Ltd | 837,753 | 14,461 | - | - | - | - | 837,753 | 14,461 | " |
| President Investment Trust Corp. | 2,667,600 | 22,800 | - | - | - | - | 2,667,600 | 22,800 | " |
| Subtotal | | 240,975 | | - | | - | | 240,975 | |
| Valuation adjustment | | (155,495) | | - | | - | | (155,495) | |
| | <u>\$ 85,480</u> | <u>\$ -</u> | | <u>\$ -</u> | | <u>\$ -</u> | | <u>\$ 85,480</u> | |

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2022

Expressed in thousands of NTD

Statement 5

| Name | Balance as of January 1, 2022 | | Additions (Note 1) | | Decreases (Note 2) | | Other Adjustments (Note 3) | Balances as of December 31, 2022 | | | 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 | \$ 23,075,419 | - | \$ 289,665 | - | \$ 2,077,912 | 171,589,586 | 100.00 | \$ 25,442,996 | \$ 148.28 | \$ 25,442,996 | None | | |
| President Drugstore Business Corp. | 78,520,000 | 1,458,917 | - | 321,610 | - | - | 78,520,000 | 100.00 | 1,797,884 | 22.90 | 1,797,884 | " | | |
| President Transnet Corp. | 103,496,399 | 2,330,196 | - | 940,936 | - | - | (894,887) | 103,496,399 | 70.00 | 2,376,245 | 22.78 | 2,357,402 | " | |
| Mech-President Corp. | 55,858,815 | 811,447 | - | 153,191 | - | - | (144,298) | 55,858,815 | 80.87 | 820,340 | 14.69 | 820,340 | " | |
| President Pharmaceutical Corp. | 22,121,962 | 690,901 | - | 98,195 | - | - | (73,507) | 22,121,962 | 73.74 | 715,589 | 25.17 | 556,791 | " | |
| Uni-President Department Store Corp. | 27,999,999 | 454,934 | - | 109,671 | - | - | (80,515) | 27,999,999 | 70.00 | 484,090 | 17.29 | 484,090 | " | |
| Uni-President Superior Commissary Corp. | 48,519,890 | 544,724 | - | 66,837 | - | - | (43,750) | 48,519,890 | 90.00 | 567,811 | 11.70 | 567,811 | " | |
| Uni-President Cold-Chain Corp. | 42,934,976 | 956,984 | - | 257,892 | - | - | (192,006) | 42,934,976 | 60.00 | 1,022,870 | 23.54 | 1,010,546 | " | |
| President Information Corp. | 25,714,475 | 513,555 | - | 82,923 | - | - | (82,955) | 25,714,475 | 86.00 | 513,883 | 15.75 | 405,042 | " | |
| Q-ware Systems & Services Corp. | 24,382,921 | 409,164 | - | 99,510 | - | - | (87,680) | 24,382,921 | 86.76 | 420,994 | 16.73 | 407,841 | " | |
| Wisdom Distribution Service Corp. | 10,847,421 | 543,055 | 29,744,015 | 359,808 | - | - | - | 1,662 | 40,591,436 | 100.00 | 904,525 | 22.28 | 904,525 | " |
| Books.com, Co., Ltd. | 9,999,999 | 411,281 | - | 107,522 | - | - | (201,148) | 9,999,999 | 50.03 | 317,655 | 31.77 | 317,655 | None | |
| Duskin Serve Taiwan Co., Ltd. | 10,199,999 | 220,426 | - | 103,955 | - | - | (87,203) | 10,199,999 | 51.00 | 237,178 | 23.25 | 237,178 | " | |
| ICASH Corp. | 70,000,000 | 470,616 | - | - | - | (51,550) | (85) | 70,000,000 | 100.00 | 418,981 | 5.99 | 418,981 | " | |
| Uni-President Development Corp. | 72,000,000 | 757,554 | - | 38,185 | - | - | (17,352) | 72,000,000 | 20.00 | 778,387 | 10.81 | 778,387 | " | |
| Uni-Wonder Corp. | 21,382,674 | 4,832,636 | - | 328,340 | - | - | (217,493) | 21,382,674 | 60.00 | 4,941,483 | 325.48 | 6,959,664 | " | |
| Retail Support International Corp. | 6,429,999 | 173,630 | - | 48,880 | - | - | (36,938) | 6,429,999 | 25.00 | 185,572 | 27.46 | 176,585 | " | |
| PresiCarre Corp. | 145,172,360 | 5,077,087 | - | 41,442 | - | - | (249,561) | 145,172,360 | 19.50 | 4,868,968 | 43.84 | 6,364,356 | " | |
| President Fair Development Corp. | 190,000,000 | 2,123,492 | - | 53,775 | - | - | - | 190,000,000 | 19.00 | 2,177,267 | 10.55 | 2,004,734 | " | |
| President International Development Corp. | 44,100,000 | 447,310 | - | 6,691 | - | - | - | 44,100,000 | 3.33 | 469,939 | 10.66 | 469,985 | " | |
| 21 Century Co., Ltd. | 10,000,000 | 144,394 | - | 41,327 | - | - | - | 10,000,000 | 100.00 | 186,243 | 18.62 | 186,243 | " | |
| President Collect Service Corp., etc. | - | 488,023 | - | 604,860 | - | (301,782) | (150,795) | - | - | 640,306 | - | 513,948 | " | |
| | | \$ 46,935,745 | | \$ 4,153,215 | | (\$ 353,332) | (\$ 446,442) | | | \$ 50,289,206 | | | | |

Note 1: The additions this year includes recognized gains on investments of \$3,763,215 and increase in investments of \$390,000.

Note 2: The decreases this year includes recognized losses on investments of (\$353,332).

Note 3: Other adjustments are cash dividends of (\$2,756,246), financial statements translation differences of foreign operations of \$2,186,877, gain on remeasurement of defined benefit plan of \$222,864, changes in fair value of financial assets at fair value through other comprehensive income of \$3,663, changes in capital surplus of \$692 and changes in subsidiary's equity interest of (\$104,272).

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

Expressed in thousands of NTD

Statement 6

| Item | Balance as of January 1, 2022 | Additions | Decreases | Transfer | Balance as of December 31, 2022 | Collateral | Footnote |
|---------------------------------|----------------------------------|-----------------------|-----------------------|------------------|------------------------------------|------------|----------|
| <u>Cost</u> | | | | | | | |
| Land | \$ 1,518,631 | \$ 726,288 | \$ - | \$ 22,414 | \$ 2,267,333 | None | |
| Buildings | 957,651 | - | - | 2,638 | 960,289 | " | |
| Operating equipment | 17,435,485 | 3,651,441 | (1,723,655) | (663) | 19,362,908 | " | |
| Leasehold improvements | 10,582,840 | 2,394,824 | (980,841) | 713 | 11,997,536 | " | |
| Others | 27,123 | 437,875 | (62) | (50) | 464,886 | " | |
| | <u>30,522,030</u> | <u>\$ 7,210,428</u> | <u>(\$ 2,704,558)</u> | <u>\$ 25,052</u> | <u>35,052,952</u> | | |
| <u>Accumulated depreciation</u> | | | | | | | |
| Buildings | (\$ 383,535) | (\$ 19,013) | \$ - | (\$ 264) | (\$ 402,812) | " | |
| Operating equipment | (10,029,876) | (2,171,576) | 1,609,746 | 677 | (10,591,029) | " | |
| Leasehold improvements | (6,112,405) | (1,210,259) | 901,967 | (677) | (6,421,374) | " | |
| Others | (10,162) | (646) | 61 | - | (10,747) | " | |
| | <u>(16,535,978)</u> | <u>(\$ 3,401,494)</u> | <u>\$ 2,511,774</u> | <u>(\$ 264)</u> | <u>(17,425,962)</u> | | |
| Accumulated impairment | (78,701) | \$ - | \$ 56,197 | \$ - | (22,504) | | |
| Book value | <u>\$ 13,907,351</u> | | | | <u>\$ 17,604,486</u> | | |

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

Expressed in thousands of NTD

Statement 7

| Item | Balance as of January 1, 2022 | Additions | Decreases | Balance as of December 31, 2022 | Footnote |
|--------------------------|----------------------------------|---------------------|-----------------------|------------------------------------|----------|
| <u>Buildings</u> | | | | | |
| Costs | \$ 70,130,518 | \$ 13,957,597 | (\$ 4,258,054) | \$ 79,830,061 | |
| Accumulated depreciation | (17,494,289) | (8,541,094) | 3,151,429 | (22,883,954) | |
| Book value | <u>\$ 52,636,229</u> | <u>\$ 5,416,503</u> | <u>(\$ 1,106,625)</u> | <u>\$ 56,946,107</u> | |

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM BORROWINGS

DECEMBER 31, 2022

Expressed in thousands of NTD

Statement 8

| Type of borrowings | Explanation | Balance as of December 31, 2022 | Contract period | Interest rate range | Collateral | Footnote |
|-----------------------|----------------------------------|------------------------------------|-----------------------|------------------------|------------|----------|
| Credit loan | Bank of Taiwan Co., Ltd. | \$ 90,000 | 2022/12/01~2023/03/01 | 1.600% | None | |
| " | Cathay United Bank Co., Ltd | 400,000 | 2022/12/28~2023/03/28 | 1.240% | " | |
| " | Cathay United Bank Co., Ltd | 400,000 | 2022/12/30~2023/03/28 | 1.240% | " | |
| " | Yuanta Commercial Bank Co., Ltd | 1,780,000 | 2022/12/02~2023/03/02 | 1.550% | " | |
| " | Yuanta Commercial Bank Co., Ltd. | 540,000 | 2022/12/14~2023/03/14 | 1.560% | " | |
| " | CTBC Bank Commercial Co., Ltd. | 1,390,000 | 2022/09/21~2023/06/21 | 1.650% | " | |
| " | CTBC Bank Commercial Co., Ltd. | 3,100,000 | 2022/10/03~2023/06/27 | 1.650% | " | |
| | | <u>\$ 7,700,000</u> | | | | |

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF LEASE LIABILITIES**

Statement 9

 DECEMBER 31, 2022
 Expressed in thousands of NTD

| Item | Summary | Lease period | Discount rate range | Balance as of December 31, 2022 | Footnote |
|-----------|-------------|-----------------------|---------------------|---------------------------------|----------|
| Buildings | Current | 2007/02/01~2072/02/29 | 0.55%~2.70% | \$ 8,535,793 | |
| " | Non-Current | 2007/02/01~2072/02/29 | " | 49,272,717 | |
| | | | | \$ 57,808,510 | |

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING REVENUE**

Statement 10

 FOR THE YEAR ENDED DECEMBER 31, 2022
 Expressed in thousands of NTD

| Item | Amount | Footnote |
|---------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue from contracts with customers | \$ 182,872,403 | 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**

Statement 11

 FOR THE YEAR ENDED DECEMBER 31, 2022
 Expressed in thousands of NTD

| Item | Amount |
|--------------------------------------|----------------|
| Inventory at beginning of the year | \$ 9,980,315 |
| Inventory purchased | 119,666,155 |
| Compensation for damaged merchandise | (361,849) |
| Promotion income | (620,457) |
| Inventory at end of the year | (11,569,619) |
| Others | 4,539,426 |
| Operating costs | \$ 121,633,971 |

**PRESIDENT CHAIN STORE CORP.
STATEMENT OF SELLING EXPENSES**

Statement 12

 FOR THE YEAR ENDED DECEMBER 31, 2022
 Expressed in thousands of NTD

| Item | Amount |
|-----------------------------------|---------------|
| Incentive bonuses for franchisees | \$ 24,418,945 |
| Wages and salaries | 3,940,235 |
| Utilities expense | 2,664,827 |
| Depreciation | 11,911,477 |
| Other expenses | 7,827,372 |
| | \$ 50,762,856 |

PRESIDENT CHAIN STORE CORP.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY
FUNCTION

Statement 13

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 Expressed in thousands of NTD

| By nature | By function | 2022 | | | 2021 | | |
|---------------------------------|-------------|-------------------------------|----------------------------------|-------|-------------------------------|----------------------------------|-------|
| | | Classified as operating costs | Classified as operating expenses | Total | Classified as operating costs | Classified as operating expenses | Total |
| Employee benefit expense | | | | | | | |
| Wages and salaries | \$ - | \$ 6,292,331 | \$ 6,292,331 | \$ - | \$ 5,677,962 | \$ 5,677,962 | |
| Labor and health insurance fees | - | 526,243 | 526,243 | - | 521,308 | 521,308 | |
| Pension costs | - | 267,860 | 267,860 | - | 250,511 | 250,511 | |
| Directors' remuneration | - | 176,186 | 176,186 | - | 162,498 | 162,498 | |
| Other employee benefit expenses | - | 321,318 | 321,318 | - | 310,173 | 310,173 | |
| Depreciation | - | 11,942,588 | 11,942,588 | - | 10,984,730 | 10,984,730 | |
| Amortization | - | 128,710 | 128,710 | - | 67,301 | 67,301 | |

Note1: As of December 31, 2022, and 2021, the Company had 8,617 and 8,348 employees (including part-timers), including 10 directors, respectively.

Note2: For the years ended December 31, 2022 and 2021, the Company's average employee benefit expense was \$861 and \$811, respectively; while average wages and salaries was \$731 and \$681, respectively. For the year ended December 31, 2022, the Company's change in average wages and salaries was 7.34%.

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.

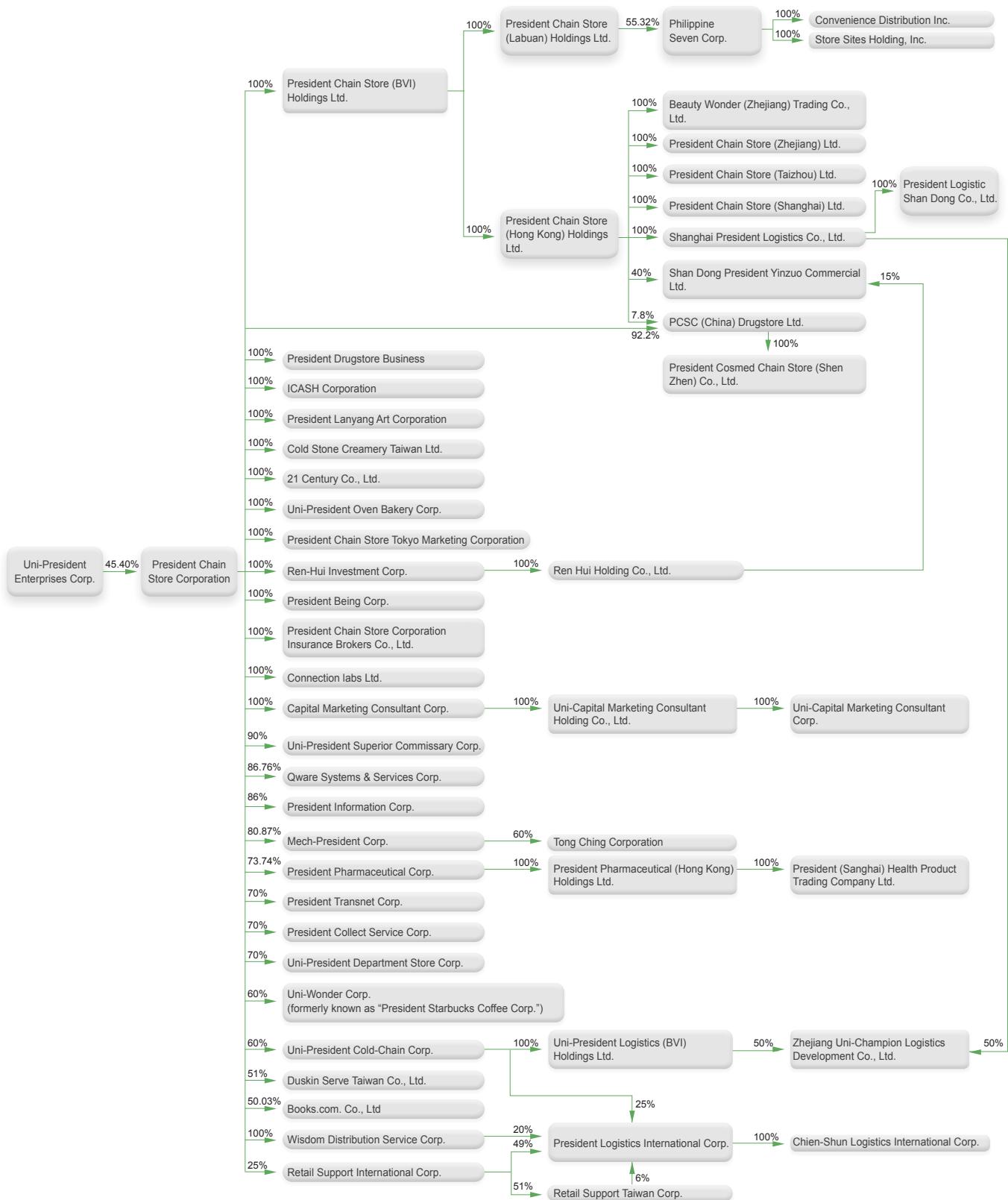
(4) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation, the ratio shall not 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, 2022 and 2021.

7.1 Affiliated Companies Conditions

7.1.1 Organizational chart

As of December 31, 2022



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, 2022/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 | Palm Grove House, 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 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 | 290,000 | 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. | Apl. 29, 2015 | 8F, No.8, Tung Hsing Rd., Songshan Dist., Taipei City, Taiwan | 217,228 | 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 |
| 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 |

| Company | Date of incorporation | Address | Paid-in Capital | Major Business / Production Items |
|----------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------|
| 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 | 405,914 | 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 71,559,000 | 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 ,Lagaspri 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, Shangcheng Dist., Hangzhou City, Zhejiang Province, China | RMB 210,000,000 | Convenience store |
| President Chain Store (Taizhou) Ltd. | Nov. 27, 2015 | South of Innovation Dadao, Gaoxin 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 700,000,000 | 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 |
| Uni-Capital Marketing Consultant Holding Co., Ltd. | Nov. 08, 2022 | Portcullis Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110 | USD 464,000 | Professional investment |
| Uni-Capital Marketing Consultant Corp. | Nov. 08, 2022 | 35F Huiyuan Building, No.38 Huaneng Road, Lixia District, Jinan City. | RMB 3,000,000 | Enterprise management consultancy |
| 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 2,991,000 | 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 wardhousing |
| 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, 2022/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 USD 17,159,000 | 100.00 |
| PCSC (China) Drugstore Ltd. | Director | Representatives of President Chain Store Corp.: Huang, Jui-Tien; Lu, Yung-Wei | Paid-in Capital USD 9,486,000 | 92.20 |
| 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, Shiow-Ling ; Huang, Jui-Tien ; Lu, Yung-Wei; Kuo, Ching-Feng; 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, Shiow-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.: Lee, John-Yih | 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; Hsiu, Yi-Shiung | 70,000,000 | 100.00 |
| | President | Liang, Yu-Lin | — | — |
| President Lanyang Art Corp. | Chairman | Representative of President Chain Store Corp.: Lai, Wen-Ji | 2,000,000 | 100.00 |
| | Chairman | Representative of President Chain Store Corp.: Lin, Chi-Chang | 12,244,390 | 100.00 |
| Cold Stone Creamery Taiwan Ltd. | 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 | — | — |
| | Chairman | Representative of President Chain Store Corp.: Wang, Pao-Ming | 10,000,000 | 100.00 |
| 21 Century Co., Ltd. | 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.: Wu, Chin-Fu | 10,000,000 | 100.00 |
| | President | Lai, Mei-Rong | — | — |
| | Chairman | Representative of President Chain Store Corp.: Kuo, Ching-Feng | 29,000,000 | 100.00 |
| Uni-President Oven Bakery Corp. | Director | Representatives of President Chain Store Corp.: Su, Hung-Jen; Sun, Ming-Tong | 29,000,000 | 100.00 |
| | Supervisor | Representative of President Chain Store Corp.: Hsiu, Yi-Shiung | 29,000,000 | 100.00 |
| | President | Chen, Kai-Jung | — | — |
| | Chairman | Representative of President Chain Store Corp.: Huang, Jui-Tien | 9,800 | 100.00 |
| President Chain Store Tokyo Marketing Corp. | Director | Representatives of President Chain Store Corp.: Lu, Yung-Wei; Wu, Chin-Fu | 9,800 | 100.00 |
| | Supervisor | Representative of President Chain Store Corp.: Tsung, Hsi-Yung | 9,800 | 100.00 |
| | President | Satoshi Oka | — | — |
| | Chairman | Representative of President Chain Store Corp.: Huang, Jui-Tien | 2,500,000 | 100.00 |
| Capital Marketing Consultant Corp. | 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 | — | — |
| | Chairman | Representative of President Chain Store Corp.: Kao, Shiow-Ling | 1,500,000 | 100.00 |
| President Being Corp. | Director | Representatives of President Chain Store Corp.: Huang, Jui-Tien; Chen, Fei-Long; Chai, Chia-Feng | 1,500,000 | 100.00 |
| | Supervisor | Representative of President Chain Store Corp.: Lee, John-Yih | 1,500,000 | 100.00 |
| | President | Huang, Jui-Tien | — | — |

| 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; Hsiao, 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 | 21,722,779 | 100.00 |
| | Director | Representative of President Chain Store Corp.: Liu, Chun-Pei; Liu, Hsiao, Yi-Shiung | 21,722,779 | 100.00 |
| | Supervisor | Representative of President Chain Store Corp.: Wu, Wen-Chi | 21,722,779 | 100.00 |
| | President | Jian, Sin-Ying | — | — |
| 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; Wu, Jing-Fu | 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 | Huang, Jyun-Ren | — | — |
| 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 Formosa Cereal Industrial Co., Ltd.: Lin, Kuan-Chen | 243,888 | 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.: Huang, Jui-Tien | 25,714,475 | 86.00 |
| | Director | Representatives of President Chain Store Corp.: Chang, Chia-Hua; Chang, Chia-Wen | 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 | Ou, Tsung-Yin | — | — |
| 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-Hsiao | 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; Huang, Yi-Sheng; 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; Wu, San-Sian | 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, Wu, San-Sian | 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 | Sadatomo Hiroki | — | — |
| | President | Hsu, Ming-Hui | — | — |
| 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.: Huang, Jui Tien; Wang, Pao-Ming | 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, Chao-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; Kazunari Yamamoto; Ikoma Yohei; Miyawaki Mikio | 9,800,000 | 49.00 |
| | Supervisor | Representative of Ren-Hui Investment Corp.: Lee, John-Yih | 1 | — |
| | Supervisor | Naito Hideyuki | — | — |
| | President | Su, Chia-Chi | — | — |
| 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 |
| | Supervisor | Representative of Ren-Hui Investment Corp.: Wu, Wen-Chi | 1 | — |
| | Supervisor | Chang, Ya-Ling | 143,000 | 0.72 |
| | President | Chang, Sung-Hong | — | — |
| 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.: Miyamura Yoji; Hosoda Hirohide; 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 | — | — |

| Company | Title | Name or Representative | Shareholding | |
|----------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------|
| | | | Shares | % |
| Wisdom Distribution Service Corp. | Chairman | Representative of President Chain Store Corp.: Huang, Jui-Tien | 40,591,436 | 100.00 |
| | Director | Representatives of President Chain Store Corp.: Kuo, Ching-Feng; Chen, Wen-Chieh | 40,591,436 | 100.00 |
| | Supervisor | Representative of President Chain Store Corp.: Liang, Kuo-Jen | 40,591,436 | 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 71,559,000 | 100.00 |
| Philippine Seven Corp. | Chairman | Jose T. Pardo | 2 | — |
| | Vice Chairman | Representative of President Chain Store (Labuan) Holdings Ltd.: Huang, Jui-Tien | 418,467,647 | 55.32 |
| | Director | Representatives of President Chain Store (Labuan) Holdings Ltd.: Lu, Yung-Wei; Kuo, Ching-Feng; Lee, Tsung-Hsien; Wu, Wen-Chi; Jose Victor P. Paterno | 418,467,647 | 55.32 |
| | 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 | 18,622,569 | 2.46 |
| | Chairman | Representative of Philippine Seven Corp.: Jose Victor P. Paterno | 12,500,000 | 100.00 |
| Convenience Distribution Inc. | Director | Representatives of Philippine Seven Corp.: Lee, Chia-Fang; Lee, Ying-Jung; Maritess Antonio | 12,500,000 | 100.00 |
| | President | Jose Victor P. Paterno | — | — |
| | Chairman | Representative of Philippine Seven Corp.: Jose Victor P. Paterno | 40,000 | 100.00 |
| Store Sites Holding, Inc. | Director | Representative of Philippine Seven Corp.: Lee, Chia-Fang (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 | — | — |
| | Director | Representative of President Chain Store (BVI) Holdings Ltd.: Huang, Jui-Tien | Paid-in Capital USD 134,603,000 | 100.00 |
| President Chain Store (Hong Kong) Holdings Limited | Director | Kuo, Ching-Feng | — | — |
| | 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, Shiow-Ling; Chang, Shih-Hsun | — | 100.00 |
| | Supervisor | Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Li-Ling | — | 100.00 |
| President Chain Store (Zhejiang) Ltd. | President | Chang, Shih-Hsun | — | — |
| | 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.: Chang, Sung-Hong | Paid-in Capital RMB 60,000,000 | 100.00 |
| | Director | Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Sung, Tai-Yi; Li, Chia-Hao | — | 100.00 |
| | Supervisor | Representative of President Chain Store (Hong Kong) Holdings Ltd.: Cheng, Sheng-Chan | — | 100.00 |
| | President | Hsu, Yung-Yuan | — | — |

| 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 700,000,000 | 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 | — | — |
| Shanghai President Logistics Co., Ltd. | Chairman | Representative of President Chain Store (Hong Kong) Holdings Ltd.: Chang, Sung-Hong | Paid-in Capital USD 2,000,000 | 100.00 |
| | Director | Representatives of President Chain Store (Hong Kong) Holdings Ltd.: Sung, Tai-Yi; Li, Chia-Hao | — | 100.00 |
| | Supervisor | Representative of President Chain Store (Hong Kong) Holdings Ltd.: Cheng, Sheng-Chan | — | 100.00 |
| | President | Wu, Yao-Ming | — | — |
| President Logistic ShanDong Co., Ltd. | Chairman | Representative of Shanghai President Logistics Co., Ltd.: Shu, Chih-Ming | Paid-in Capital RMB 50,000,000 | 100.00 |
| | Director | Representatives of Shanghai President Logistics Co., Ltd.: Peng, Chien-Chia; Hu, Hao-Chih | — | 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 Yinzuo 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; Lu, Yung-Wei | — | 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 | Sung, Tai-Yi | — | — |
| Uni-Capital Marketing Consultant Holding Co., Ltd. | Director | Representative of Capital Marketing Consultant Corp.: Huang, Jui-Tien | Paid-in Capital USD 464,000 | 100.00 |
| Uni-Capital Marketing Consultant Corp. | Chairman | Representative of Uni-Capital Marketing Consultant Holding Co., Ltd.: Huang, Jui-Tien | Paid-in Capital RMB 3,000,000 | 100.00 |
| | Director | Representative of Uni-Capital Marketing Consultant Holding Co., Ltd.: Shu, Chih-Ming; Lee, Tsung-Hsien | — | 100.00 |
| | Supervisor | Representative of Uni-Capital Marketing Consultant Holding Co., Ltd.: Chang, Li-Ling | — | 100.00 |
| | President | Chiu, Hong-Chang | — | — |

| Company | Title | Name or Representative | Shareholding | |
|----------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------|
| | | | Shares | % |
| Tong Ching Corporation | Chairman | Representative of Mech-President Corp.: Wu, Hui-Chen | 960,000 | 60.00 |
| | Director | Representatives of Mech-President Corp.: Chen, Yuen-Lung; Kuo, Wen-Sheng; Huang, Jui-Feng; 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 | — | — |
| 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, Shioi-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 of Uni-President Cold-Chain Corp.: Huang, Jui-Tien | Paid-in Capital USD 2,991,000 | 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.: Tsai, Kuang-Wen | — | 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.: Hu, Hao-Chih | 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: Hu, Hao-Chih | 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 | Chen, Yu-Wei | — | — |
| Chieh Shun Logistics International Corp. | Chairman | Representative of President Logistics International Corp.: Yao, Chieh-Hsiang | 26,670,000 | 100.00 |
| | Director | Representative of President Logistics International Corp.: Hu, Hao-Chih; Wu, San-Sian | 26,670,000 | 100.00 |
| | Supervisor | Representative of President Logistics International Corp.: Cheng, Horng-Jun | 26,670,000 | 100.00 |
| | President | Chen, Yu-Wei | — | — |

7.2 The Financial Position and Operation Results of Affiliated Companies

Dec. 31, 2022/ Unit: NT'000

| Company | Paid-in Capital | Total Assets | Total Liabilities | Shareholders' Equity | Operating Revenue | Operating Income (Loss) | Net Income (Loss) (After tax) | EPS (NT\$) (After tax) | Net Income (Loss) (Before tax) | Operating Activities Cash flow |
|---------------------------------------------------------------|-----------------|--------------|-------------------|----------------------|-------------------|-------------------------|----------------------------------|---------------------------|-----------------------------------|-----------------------------------|
| | | | | | | | | | | |
| President Chain Store (BVI) Holdings Ltd. | USD17,159,000 | 25,486,685 | 43,690 | 25,442,996 | 0 | (78,094) | 289,665 | - | 289,665 | 226,282 |
| PCSC (China) Drugstore Ltd. | USD 9,486,000 | 76,947 | 28 | 76,919 | 0 | (110) | 361 | - | 361 | (110) |
| Uni-Wonder Corp. | 356,378 | 10,748,932 | 9,582,968 | 1,165,964 | 13,499,292 | 854,877 | 699,227 | 19.62 | 863,532 | 2,454,952 |
| President Drugstore Business Corp. | 785,200 | 11,727,494 | 9,929,609 | 1,797,884 | 14,016,875 | 281,642 | 321,609 | 4.10 | 402,014 | 1,272,002 |
| ICASH Corp. | 700,000 | 2,692,996 | 2,274,014 | 481,981 | 846,517 | (60,054) | (51,550) | (0.74) | (51,550) | 70,064 |
| President Lanyang Art Corp. | 20,000 | 27,213 | 2,380 | 24,834 | 0 | (178) | (55) | (0.03) | (55) | (110) |
| Cold Stone Creamery Taiwan Ltd. | 122,444 | 189,762 | 155,625 | 34,137 | 460,934 | 7,647 | 8,179 | 0.67 | 8,179 | 27,434 |
| 21 Century Co., Ltd. | 100,000 | 1,056,467 | 870,224 | 186,243 | 2,041,223 | 47,008 | 41,327 | 4.13 | 52,008 | 232,237 |
| Uni-President Oven Bakery Corp. | 290,000 | 214,690 | 186,099 | 28,591 | 318,680 | (100,837) | (113,698) | (3.92) | (113,698) | (182,260) |
| President Chain Store Tokyo Marketing Corp. | JPY98,000,000 | 171,979 | 84,877 | 87,102 | 597,486 | 5,752 | 3,222 | - | 6,281 | (27,047) |
| Capital Marketing Consultant Corp. | 25,000 | 226,752 | 127,774 | 98,978 | 376,109 | 68,317 | 52,812 | 21.12 | 65,721 | 66,717 |
| President Being Corp. | 15,000 | 280,147 | 429,913 | (149,767) | 433,282 | (46,833) | (50,921) | (33.95) | (50,921) | 92,039 |
| President Chain Store Corporation Insurance Brokers Co., Ltd. | 15,000 | 65,019 | 24,399 | 40,621 | 86,582 | 27,023 | 21,869 | 14.58 | 27,316 | 19,595 |
| Connection labs Ltd. | 217,228 | 105,322 | 76,537 | 28,788 | 18,605 | (113,017) | (111,083) | (5.11) | (111,083) | (112,878) |
| Ren-Hui Investment Corp. | 65,000 | 27,034 | 447 | 26,587 | 0 | (372) | (20,678) | (3.18) | (19,878) | 2,787 |
| Uni-President Superior Commissary Corp. | 539,110 | 2,801,251 | 2,170,350 | 630,901 | 4,657,179 | 80,039 | 74,093 | 1.37 | 93,144 | 287,623 |
| Q-ware Systems & Services Corp. | 281,042 | 2,059,693 | 1,589,614 | 470,080 | 1,601,611 | 141,137 | 114,572 | 4.08 | 142,785 | 701,287 |
| President Information Corp. | 299,006 | 1,194,428 | 723,449 | 470,979 | 1,869,763 | 114,864 | 96,422 | 3.22 | 120,297 | 327,355 |
| Mech-President Corp. | 690,713 | 4,256,275 | 3,241,882 | 1,014,393 | 10,833,334 | 204,661 | 189,426 | 2.74 | 235,679 | 593,088 |
| President Pharmaceutical Corp. | 300,000 | 1,442,019 | 686,946 | 755,073 | 2,221,499 | 191,173 | 133,164 | 4.44 | 165,776 | 42,550 |
| President Transnet Corp. | 1,478,520 | 10,849,169 | 7,481,451 | 3,367,718 | 13,899,291 | 1,617,659 | 1,344,193 | 9.09 | 1,677,629 | 2,606,904 |
| President Collect Service Corp. | 15,000 | 1,582,243 | 1,455,703 | 126,539 | 559,692 | 114,606 | 95,274 | 63.52 | 119,092 | (903,602) |
| Uni-President Department Store Corp. | 400,000 | 4,403,713 | 3,712,156 | 691,558 | 1,294,579 | 32,761 | 156,673 | 3.92 | 195,009 | 454,120 |
| Uni-President Cold-Chain Corp. | 715,583 | 9,019,066 | 7,334,823 | 1,684,243 | 4,236,371 | 486,018 | 429,821 | 6.01 | 530,350 | 588,046 |
| Duskin Serve Taiwan Co., Ltd. | 200,000 | 966,666 | 501,610 | 465,056 | 1,630,344 | 248,626 | 203,833 | 10.19 | 254,658 | 255,160 |
| Books. com Co., Ltd. | 199,900 | 1,932,438 | 1,297,510 | 634,928 | 6,755,025 | 253,180 | 214,956 | 10.75 | 268,752 | 107,081 |
| Retail Support International Corporation | 257,200 | 13,619,395 | 12,913,055 | 706,340 | 3,555,747 | 149,947 | 195,521 | 7.60 | 228,585 | 818,817 |
| Wisdom Distribution Service Corp. | 405,914 | 5,602,177 | 4,697,652 | 904,525 | 4,619,039 | 431,787 | 359,919 | 8.87 | 439,209 | 1,567,938 |
| President Chain Store (Labuan) Holdings Ltd. | USD 71,559,000 | 2,824,183 | 107 | 2,824,076 | 0 | (370) | 573,420 | - | 573,420 | (11,044) |
| Philippine Seven Corp. | PHP757,105,000 | 17,339,914 | 12,427,675 | 4,912,239 | 34,479,031 | 2,157,615 | 1,120,517 | - | 1,512,281 | 3,989,508 |
| Convenience Distribution Inc. | PHP125,000,000 | 435,137 | 298,751 | 136,386 | 1,622,314 | 17,090 | 4,723 | - | 9,404 | 117,055 |
| Store Sites Holding, Inc. | PHP48,742,000 | 37,213 | 4,175 | 33,038 | 2,450 | 1,639 | 946 | - | 1,225 | 1,431 |
| President Chain Store (Hong Kong) Holdings Ltd. | USD134,603,000 | 3,164,562 | 372 | 3,164,190 | 0 | (426) | (522,434) | - | (522,434) | 22,039 |
| Beauty Wonder (Zhejiang) Trading Co., Ltd. | CNY60,000,000 | 122,902 | 29,873 | 93,030 | 17,072 | (37,339) | (36,480) | - | (36,480) | (108,562) |
| President Chain Store (Zhejiang) Ltd. | CNY210,000,000 | 685,427 | 523,811 | 161,616 | 521,281 | (193,439) | (200,448) | - | (200,448) | (57,090) |
| President Chain Store (Taizhou) Ltd. | CNY60,000,000 | 508,880 | 51,603 | 457,276 | 292,223 | 30,619 | 28,138 | - | 37,518 | 276,121 |
| President Chain Store (Shanghai) Ltd. | CNY700,000,000 | 1,502,997 | 1,144,106 | 358,891 | 1,601,330 | (275,921) | (295,663) | - | (295,663) | (13,224) |
| Shanghai President Logistic Co., Ltd. | USD 2,000,000 | 884,394 | 255,625 | 628,770 | 714,740 | (4,051) | 23,156 | - | 23,308 | 321,496 |
| President Logistic ShanDong Co., Ltd. | CNY50,000,000 | 303,782 | 64,191 | 239,590 | 132,747 | 8,147 | 13,905 | - | 16,843 | 38,979 |
| Ren Hui Holding Co., Ltd. | USD2,000,000 | 4,995 | 28 | 4,967 | 0 | (101) | (23,875) | - | (23,875) | (84) |
| Shan Dong President Yinzuo Commercial Ltd. | CNY60,000,000 | 2,119,226 | 2,186,674 | (67,448) | 3,103,755 | (197,282) | (161,948) | - | (149,262) | 360,340 |

| Company | Paid-in Capital | Total Assets | Total Liabilities | Shareholders' Equity | Operating Revenue | Operating Income (Loss) | Net Income (Loss) | EPS (NT\$) | Net Income (Loss) | Operating Activities |
|-------------------------------------------------------------|-----------------|--------------|-------------------|----------------------|-------------------|-------------------------|-------------------|------------|-------------------|----------------------|
| | | | | | | | (After tax) | | | |
| President Cosmed Chain Store (Shen Zhen) Co., Ltd. (note 1) | CNY100,000,000 | 84,114 | 7,482 | 76,632 | 58,161 | (481) | 473 | - | 485 | (3,503) |
| Uni-Capital Marketing Consultant Holding Co., Ltd. (note 2) | USD464,000 | 11,872 | 0 | 11,872 | 0 | (4) | (3,003) | - | (3,003) | (3) |
| Uni-Capital Marketing Consultant Corp. | CNY3,000,000 | 10,343 | 3 | 10,340 | 0 | (3,004) | (3,000) | - | (3,000) | (3,056) |
| Tong Ching Corp. | 16,000 | 62,421 | 23,307 | 39,114 | 164,814 | 7,228 | 7,647 | 4.78 | 9,559 | 9,080 |
| President Pharmaceutical (Hong Kong) Holdings Ltd. | USD5,936,000 | 27,771 | 57,845 | (30,075) | 12,266 | (2,952) | (37,261) | - | (37,261) | (2,459) |
| President (Shanghai) Health Product Trading Company Ltd. | CNY39,157,000 | 46,870 | 100,546 | (53,676) | 72,266 | (38,154) | (34,721) | - | (34,721) | 23,51 |
| Uni-President Logistics (BVI) Holdings Ltd. | USD2,991,000 | 120,616 | 172 | 120,444 | 0 | 3,641 | 3,641 | - | 3,641 | 0 |
| Zhejiang Uni-Champion Logistics Development Co., Ltd. | CNY40,000,000 | 363,801 | 122,591 | 241,211 | 484,127 | 7,387 | 7,451 | - | 10,074 | 50,503 |
| Retail Support Taiwan Corp. | 56,300 | 315,285 | 175,590 | 139,695 | 390,156 | 42,086 | 42,608 | 7.57 | 52,046 | 90,836 |
| President Logistics International Corp. | 193,500 | 1,775,076 | 1,388,329 | 386,746 | 4,164,350 | 15,593 | 91,657 | 4.74 | 104,109 | 230,907 |
| Chieh Shun Logistics International Corp. | 266,700 | 1,277,174 | 926,005 | 351,169 | 2,306,435 | 51,086 | 46,106 | 1.73 | 57,578 | 188,139 |

Note 1: Uni-Capital Marketing Consultant Holding Co., Ltd. was invested in November 2022.

Note 2: Uni-Capital Marketing Consultant Corp. was invested in November 2022.

The exchange rates are used as follows:

(A) Spot exchange rate on 31 December, 2022 used for Balance Sheet:
RMB : NTD=1 : 4.45163 : USD : NTD=1 : 30.71000 : PHP : NTD =1 : 0.55106

HKD : NTD=1 : 3.93637 : JPY : NTD =1 : 0.23240

(B) Average exchange rate of 2021 used for Statement of Comprehensive Income and Cash Flows:

RMB : NTD=1 : 4.42984 : USD : NTD=1 : 29.84894 : PHP : NTD =1 : 0.54776

HKD : NTD=1 : 3.81182 : JPY : NTD =1 : 0.22717

PRESIDENT CHAIN STORE CORPORATION

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