

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022

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

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022
CONTENTS

Items	Page/Reference
1. Cover	1
2. Contents	2 ~ 3
3. Independent auditors' report	4 ~ 9
4. Parent company only balance sheets	10 ~ 11
5. Parent company only statements of comprehensive income	12
6. Parent company only statements of changes in equity	13
7. Parent company only statements of cash flows	14 ~ 15
8. Notes to the parent company only financial statements	16 ~ 63
(1) History and organization	16
(2) The date of authorization for issuance of the parent company only financial statements and procedures for authorization	16
(3) Application of new standards, amendments and interpretations	16 ~ 17
(4) Summary of material accounting policies	17 ~ 26
(5) Critical accounting judgements, estimates and key sources of assumption uncertainty	27
(6) Details of significant accounts	27 ~ 50
(7) Related party transactions	51 ~ 54
(8) Pledged assets	54
(9) Significant contingent liabilities and unrecognized contract commitments	54

<u>Items</u>	<u>Page/Reference</u>
(10) Significant disaster loss	54
(11) Significant events after the balance sheet date	54
(12) Others	54 ~ 62
(13) Supplementary disclosures	62 ~ 63
(14) Segment information	63
9. Contents of statement of major accounting items	
Statement of cash and cash equivalents	Statement 1
Statement of inventories	Statement 2
Statement of changes in financial assets at fair value through other comprehensive income – non-current	Statement 3
Statement of changes in financial assets at fair value through profit or loss- non-current	Statement 4
Statement of changes in investments accounted for using equity method	Statement 5
Statement of changes in property, plant and equipment	Statement 6
Statement of changes in right-of use assets	Statement 7
Statement of short-term borrowings	Statement 8
Statement of short-term notes and bills payable	Statement 9
Statement of long-term borrowings	Statement 10
Statement of lease liabilities	Statement 11
Statement of operating revenue	Statement 12
Statement of operating costs	Statement 13
Statement of selling expenses	Statement 14
Statement of employee benefit, depreciation and amortization by function	Statement 15

INDEPENDENT AUDITORS' REPORT

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(23) and 6(23) 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 under 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 under the equity method amounted to NT\$3,891,572 thousand and NT\$2,822,788 thousand, constituting 2.2% and 1.8% of parent company only total assets as of December 31, 2023 and 2022, 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\$1,063,676 thousand and NT\$609,464 thousand, constituting 9.9% and 5.2% 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 27, 2024

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
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 13,155,276	8	\$ 10,617,340	7
1170	Accounts receivable, net	6(2)	742,759	1	740,136	1
1200	Other receivables	7(3)	4,955,393	3	4,391,775	3
130X	Inventories, net	6(3)	12,654,765	7	11,569,619	7
1410	Prepayments		349,792	-	334,260	-
1470	Other current assets		474,579	-	632,637	-
11XX	Total current assets		32,332,564	19	28,285,767	18
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)	1,019,411	1	847,481	1
1550	Investments accounted for using equity method	6(6)	57,607,235	33	50,289,206	32
1600	Property, plant and equipment, net	6(7)	19,284,080	11	17,604,486	11
1755	Right-of-use assets	6(8) and 7(3)	58,391,761	33	56,946,107	36
1760	Investment property, net	6(10)	1,916,109	1	1,508,147	1
1780	Intangible assets	6(11)	504,257	-	358,172	-
1840	Deferred income tax assets	6(30)	799,034	-	746,647	-
1900	Other non-current assets	6(12)	2,747,177	2	2,415,524	1
15XX	Total non-current assets		142,354,544	81	130,801,250	82
1XXX	Total assets		\$ 174,687,108	100	\$ 159,087,017	100

(Continued)

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 7,750,000	4	\$ 7,700,000	5
2110	Short-term notes and bills payable	6(14)	3,497,090	2	-	-
2130	Contract liabilities – current	6(23)	5,332,702	3	4,867,841	3
2150	Notes payable		1,188,254	1	1,250,438	1
2160	Notes payable – related parties	7(3)	7,670,961	4	6,854,022	4
2170	Accounts payable		1,673,187	1	1,460,921	1
2180	Accounts payable – related parties	7(3)	10,236,253	6	10,453,633	7
2200	Other payables	6(15)	21,401,109	12	19,683,959	12
2230	Current income tax liabilities	6(30)	1,221,489	1	879,461	1
2280	Lease liabilities – current	7(3)	8,873,333	5	8,535,793	5
2300	Other current liabilities	6(16)	1,684,259	1	1,659,033	1
21XX	Total current liabilities		70,528,637	40	63,345,101	40
Non-current liabilities						
2527	Contract liabilities – non-current	6(23)	236,156	-	215,847	-
2540	Long-term borrowings	6(17)	5,550,000	3	-	-
2570	Deferred income tax liabilities	6(30)	3,774,842	2	3,601,885	2
2580	Lease liabilities – non-current	7(3)	50,482,042	29	49,272,717	31
2640	Net defined benefit liability	6(18)				
	– non-current		1,811,518	1	1,984,245	1
2645	Guarantee deposit received		3,707,563	2	3,469,748	2
2670	Other non-current liabilities		751,843	1	738,394	1
25XX	Total non-current liabilities		66,313,964	38	59,282,836	37
2XXX	Total liabilities		136,842,601	78	122,627,937	77
Equity						
	Share capital	6(19)				
3110	Share capital – common stock		10,396,223	6	10,396,223	7
	Capital surplus	6(20)				
3200	Capital surplus		90,300	-	87,852	-
	Retained earnings	6(21)				
3310	Legal reserve		15,302,251	9	14,323,836	9
3320	Special reserve		54,625	-	1,921,515	1
3350	Unappropriated retained earnings		11,939,629	7	9,784,279	6
	Other equity	6(22)				
3400	Other equity interest		61,479	-	(54,625)	-
3XXX	Total equity		37,844,507	22	36,459,080	23
3X2X	Total liabilities and equity		\$ 174,687,108	100	\$ 159,087,017	100

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(23) and 7(3)	\$ 197,663,849	100	\$ 182,872,403	100
5000 Operating costs	6(3)(28) and 7(3)	(130,995,405)	(66)	(121,633,971)	(67)
5900 Gross profit		66,668,444	34	61,238,432	33
Operating expenses	6(28)(29)				
6100 Selling expenses		(54,871,277)	(28)	(50,762,856)	(28)
6200 General and administrative expenses		(5,145,366)	(3)	(4,381,165)	(2)
6450 Expected credit losses	12(2)	(24,926)	-	(1,177)	-
6000 Total operating expenses		(60,041,569)	(31)	(55,145,198)	(30)
6900 Operating profit		6,626,875	3	6,093,234	3
Non-operating income and expenses	7(3)				
7100 Interest income	6(24)	91,102	-	43,869	-
7010 Other income	6(25)	1,630,322	1	1,728,419	1
7020 Other gains and losses	6(26)	(27,229)	-	(119,901)	-
7050 Finance costs	6(27)	(589,416)	-	(433,240)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	4,748,744	2	3,409,883	2
7000 Total non-operating income and expenses		5,853,523	3	4,629,030	3
7900 Profit before income tax		12,480,398	6	10,722,264	6
7950 Income tax expense	6(30)	(1,866,484)	(1)	(1,440,614)	(1)
8200 Profit for the year		\$ 10,613,914	5	\$ 9,281,650	5
Other comprehensive (loss) income					
8311 Gain on remeasurement of defined benefit plan	6(18)	\$ 29,124	-	\$ 474,844	-
8316 Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(5)(22)	171,930	-	(318,428)	-
8330 Share of other comprehensive (loss) 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		(10,401)	-	221,602	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	(7,775)	-	(96,156)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		182,878	-	281,862	-
8361 Financial statements translation differences of foreign operations	6(22)	(62,999)	-	2,145,224	1
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		3,476	-	42,543	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		(59,523)	-	2,187,767	1
8300 Total other comprehensive income for the year		\$ 123,355	-	\$ 2,469,629	1
8500 Total comprehensive income for the year		\$ 10,737,269	5	\$ 11,751,279	6
9750 Basic earnings per share	6(31)	\$ 10.21		\$ 8.93	
9850 Diluted earnings per share	6(31)	\$ 10.19		\$ 8.91	

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Retained earnings				Other equity interest		
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<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
Profit for the year		-	-	-	-	9,281,650	-	-	9,281,650
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	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(21)								
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
<u>For the year ended December 31, 2023</u>									
Balance at January 1, 2023		\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080
Profit for the year		-	-	-	-	10,613,914	-	-	10,613,914
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	7,251	(59,440)	175,544	123,355
Total comprehensive income (loss) for the year		-	-	-	-	10,621,165	(59,440)	175,544	10,737,269
Distribution of 2022 earnings:	6(21)								
Legal reserve		-	-	978,415	-	(978,415)	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)
Reversal of special reserve	6(21)	-	-	-	(1,866,890)	1,866,890	-	-	-
Overdue unclaimed cash dividend transferred to capital surplus		-	2,699	-	-	-	-	-	2,699
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	51	-	-	-	-	-	51
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	2,310	-	-	2,310
Payments of unpaid cash dividends from previous year transferred to capital surplus		-	(302)	-	-	-	-	-	(302)
Balance at December 31, 2023		\$ 10,396,223	\$ 90,300	\$ 15,302,251	\$ 54,625	\$ 11,939,629	(\$ 649,458)	\$ 710,937	\$ 37,844,507

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax for the year		\$ 12,480,398	\$ 10,722,264
Adjustments to reconcile before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses	12(2)	24,926	1,177
Depreciation expense	6(7)(8)(28)	12,888,360	11,942,588
Amortization expense	6(11)(28)	186,245	128,710
Depreciation on investment property	6(10)	7,593	6,821
Finance costs	6(27)	589,416	433,240
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(4,748,744)	(3,409,883)
Loss on disposal of property, plant and equipment	6(26)	75,592	86,484
Loss (gain) on disposal of investment property	6(26)	365	(29,507)
Gain from lease modification	6(8)(26)	(59,696)	(53,170)
Interest income	6(24)	(91,102)	(43,869)
Dividend income	6(25)	(53,884)	(121,126)
Other income recognized from rent concessions	6(8)	-	(3,449)
Changes in operating assets and liabilities			
Net changes in assets relating to operating activities			
Accounts receivable	(	27,549)	(8,169)
Other receivables	(	563,618)	(71,588)
Inventories	(	1,085,146)	(1,589,304)
Prepayments	(	15,532)	28,075
Other current assets		158,058	747,115
Other non-current assets		8,885	(120,519)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		464,861	105,516
Accounts payable	(	5,114)	360,648
Notes payable		754,755	745,542
Other payables		3,089,541	(413,772)
Other current liabilities		25,226	(80,123)
Contract liabilities - non-current		20,309	14,184
Net defined benefit liability	(	143,603)	(239,043)
Other non-current liabilities	(	22,859)	(22,255)
Cash inflow generated from operations		23,957,683	19,116,587
Interest received		91,102	44,342
Income tax paid	6(30)	(1,411,661)	(1,218,313)
Interest paid	(	567,793)	(417,460)
Dividends received		2,859,999	2,877,372
Net cash flows from operating activities		24,929,330	20,402,528

(Continued)

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(6)	(\$ 5,442,963)	(\$ 390,000)
Acquisition of property, plant and equipment	6(32)	(7,149,548)	(6,007,003)
Proceeds from disposal of property, plant and equipment		28,687	50,103
Acquisition of investment property	6(10)	(396,514)	-
Proceeds from disposal of investment property		-	37,933
Increase in guarantee deposits paid		(40,538)	(95,482)
Acquisition of intangible assets	6(11)	(332,330)	(196,162)
Prepaid land	6(12)	(300,000)	(600,000)
Net cash flows used in investing activities		(13,633,206)	(7,200,611)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	50,000	4,200,000
Increase in short-term notes and bills payable	6(33)	3,497,090	-
Increase in long-term borrowings	6(33)	5,550,000	-
Payments of lease liabilities	6(33)	(8,736,191)	(8,419,696)
Increase in guarantee deposits received	6(33)	237,815	272,098
Payment of cash dividends	6(21)(33)	(9,356,600)	(9,356,600)
Payments of unpaid cash dividends from previous year transferred to capital reserve		(302)	-
Net cash flows used in financing activities		(8,758,188)	(13,304,198)
Net increase (decrease) in cash and cash equivalents		2,537,936	(102,281)
Cash and cash equivalents at beginning of year		10,617,340	10,719,621
Cash and cash equivalents at end of year		<u>\$ 13,155,276</u>	<u>\$ 10,617,340</u>

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(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 27, 2024.

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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”).

New standards, interpretations and amendments endorsed by FSC and became 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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 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, ‘International tax reform - pillar two model rules’

The Company’s exposure to income tax arising from pillar two model rules’ is as follow:

The Company is a subsidiary of Uni-President Corporation. Uni-President Corporation and its subsidiaries are within the scope Pillar two model rule’ issued by the Organization for Economic Co-operation and Development. As of December 31, 2023, the Pillar two rule has been enacted in some place of incorporation, such as Japan and etc., and are expected to take effect in future years. Therefore, the Company does not have relevant current income tax exposure.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

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

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

- B. The preparation of financial statements, in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”), requires the use of certain critical accounting estimates, and the exercise of management’s judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses 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 recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint 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 joint 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 recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value and recognizes the gain or loss in profit or loss.

- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

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

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Leasing arrangement (lessor) – operating leases

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

(11) Inventories

- A. Purchases are initially recorded at cost. Cost is determined using the retail inventory method.
- B. Ending inventories are stated at the lower of cost and net realizable value, and the item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) Investments accounted for using equity method - subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owner. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. 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 recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. The Company accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- N. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(13) Property, plant and equipment

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

- C. Property, plant and equipment are measured subsequently using the cost model. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	50 years
Operating equipment	4 ~ 8 years
Leasehold improvements	7 ~ 10 years

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
 - (b) Variable lease payments that depend on an index or a rate; and
 - (c) Amounts expected to be payable by the lessee under residual value guarantees.

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

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

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

(15) Investment property

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

(16) Intangible assets

Computer software and copyright are stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 15 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for 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 recognized.

(18) Borrowings

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

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Provisions

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

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

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

(22) Income tax

- A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that

at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognized for the carry forward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(23) Revenue recognition

A. Sale of goods

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

B. Sales of services

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

C. Financing components

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

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

The preparation of the 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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Petty cash in store	\$ 1,021,059	\$ 1,047,270
Checking accounts and demand deposits	11,135,091	8,271,725
Cash equivalents		
Short-term financial instruments	<u>999,126</u>	<u>1,298,345</u>
	<u>\$ 13,155,276</u>	<u>\$ 10,617,340</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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 769,174	\$ 742,285
Less: Allowance for doubtful accounts	(26,415)	(2,149)
	<u>\$ 742,759</u>	<u>\$ 740,136</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 753,015	\$ 730,810
Up to 90 days	16,133	8,553
91 to 120 days	9	2,856
Over 121 days	<u>17</u>	<u>66</u>
	<u>\$ 769,174</u>	<u>\$ 742,285</u>

The above ageing analysis was based on past due date.

B. As at December 31, 2023 and 2022, accounts receivable was all from contracts with customers. And as at January 1, 2022, the balance of receivables from contracts with customers amounted to \$733,144.

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

D. As at December 31, 2023 and 2022, 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 was \$742,759 and \$740,136, respectively.

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

(3) Inventories

		December 31, 2023	
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 12,757,798	(\$ 103,033)	\$ 12,654,765
		December 31, 2022	
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 11,627,892	(\$ 58,273)	\$ 11,569,619

The cost of inventories recognized as expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of goods sold	\$ 128,776,388	\$ 119,481,182
Loss on valuation of inventories	44,760	36,403
Spoilage	1,814,130	1,805,025
Others	360,127	311,361
	<u>\$ 130,995,405</u>	<u>\$ 121,633,971</u>

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

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
<u>Non-current items:</u>		
Unlisted stocks	\$ 240,975	\$ 240,975
Valuation adjustment	(155,495)	(155,495)
	<u>\$ 85,480</u>	<u>\$ 85,480</u>

A. The Company recognized net gains of financial assets at fair value through profit or loss amounting to \$31,364 and \$36,989 for the years ended December 31, 2023 and 2022, 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, 2023	December 31, 2022
<u>Equity instruments</u>		
Listed stocks	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348
	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	749,457	577,527
	<u>\$ 1,019,411</u>	<u>\$ 847,481</u>

- A. The Company has elected to classify the listed and unlisted stocks that are considered to be strategic investments and have steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,019,411 and \$847,481 as at December 31, 2023 and 2022, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income (loss) in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 171,930	(\$ 318,428)
Dividend income recognized in profit or loss	\$ 22,520	\$ 84,137

- C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was \$1,019,411 and \$847,481, 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

	2023	2022
At January 1	\$ 50,289,206	\$ 46,935,745
Addition of investments accounted for using equity method	5,442,963	390,000
Share of profit or loss of investments accounted for using equity method	4,748,744	3,409,883
Earnings distribution of investments accounted for using equity method	(2,806,115)	(2,756,246)
Changes in other equity items	(67,563)	2,309,824
At December 31	<u>\$ 57,607,235</u>	<u>\$ 50,289,206</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Subsidiaries</u>		
President Chain Store (BVI) Holdings Ltd.	\$ 27,085,477	\$ 25,442,996
Uni-Wonder Corp.	4,874,066	4,941,483
President Transnet Corp.	2,365,288	2,376,245
President Drugstore Business Corp.	2,167,796	1,797,884
Uni-President Cold-Chain Corp.	1,290,811	1,022,870
Wisdom Distribution Service Corp.	1,271,428	904,525
Mech-President Corp.	840,062	820,340
President Pharmaceutical Corp.	709,670	715,589
Uni-President Superior Commissary Corp.	617,635	567,811
Uni-President Department Store Corp.	527,745	484,090
President Information Corp.	513,102	513,883
Q-ware Systems & Services Corp.	430,470	420,994
ICASH Corp.	372,047	418,981
Books.com. Co., Ltd.	250,727	317,655
Duskin Serve Taiwan Co., Ltd.	234,666	237,178
21 Century Co., Ltd.	187,991	186,243
Retail Support International Corp.	174,842	185,572
President Collect Service Corp., etc.	24,118	379,367
	<u>43,937,941</u>	<u>41,733,706</u>
<u>Associates</u>		
PresiCarre Corp.	\$ 9,864,735	\$ 4,868,968
President Fair Development Corp.	2,272,693	2,177,267
Uni-President Development Corp.	782,012	778,387
President International Development Corp.	489,695	469,939
Tung Ho Development Corp.	50,313	55,640
Uni-President Organics Corp.	40,853	49,668
President Technology Corp.	29,528	27,583
	<u>13,529,829</u>	<u>8,427,452</u>
<u>Joint ventures</u>		
Mister Donut Taiwan Co., Ltd.	139,465	128,048
	<u>\$ 57,607,235</u>	<u>\$ 50,289,206</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, 2023.
- B. As of June 30, 2023, the Company acquired an additional 10.5% common shares of PresiCarre Corp. The Company has paid US\$174,846 thousand to the sellers as the estimated consideration, which was determined based on the estimated financial condition of the target company on the closing date, and will be recomputed to determine the financial consideration according to the transaction agreement after the closing date.
- C. 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, 2023	For the year ended December 31, 2022
Total comprehensive income	<u>\$ 167,105</u>	<u>\$ 228,765</u>

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Total comprehensive income	<u>\$ 46,243</u>	<u>\$ 38,694</u>

D. No impairment loss was recognized on investments accounted for using equity method for the years ended December 31, 2023 and 2022.

(7) Property, plant and equipment

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

	2023					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</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>
Opening net book amount as at January 1	\$ 2,263,401	\$ 546,073	\$ 8,764,711	\$ 5,576,162	\$ 454,139	\$ 17,604,486
Additions	28,647	18,367	3,079,231	2,472,476	242,625	5,841,346
Disposals	-	-	(115,045)	(67,691)	-	(182,736)
Transfer	(5,828)	(13,578)	381,844	59,890	(441,734)	(19,406)
Depreciation charge	-	(18,466)	(2,550,458)	(1,389,581)	(1,105)	(3,959,610)
Closing net book amount as at December 31	<u>\$ 2,286,220</u>	<u>\$ 532,396</u>	<u>\$ 9,560,283</u>	<u>\$ 6,651,256</u>	<u>\$ 253,925</u>	<u>\$ 19,284,080</u>
<u>At December 31</u>						
Cost	\$ 2,290,152	\$ 946,834	\$ 20,976,765	\$ 13,719,570	\$ 265,777	\$ 38,199,098
Accumulated depreciation and impairment	(3,932)	(414,438)	(11,416,482)	(7,068,314)	(11,852)	(18,915,018)
	<u>\$ 2,286,220</u>	<u>\$ 532,396</u>	<u>\$ 9,560,283</u>	<u>\$ 6,651,256</u>	<u>\$ 253,925</u>	<u>\$ 19,284,080</u>

	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)
	\$ 2,263,401	\$ 546,073	\$ 8,764,711	\$ 5,576,162	\$ 454,139	\$ 17,604,486

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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	<u>\$ 58,391,761</u>	<u>\$ 56,946,107</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	<u>\$ 8,928,750</u>	<u>\$ 8,541,094</u>

- C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$11,714,796 and \$13,957,597, respectively.
- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 370,728	\$ 347,557
Expense on variable lease payments	139,254	116,904
Gain on sublease of right-of-use assets	735,152	661,220
Gain from lease modification	59,696	53,170

- E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$9,246,173 and \$8,884,157, 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 1.48% and 1.30% of lease payments for the years ended December 31, 2023 and 2022, 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 \$1,393 and \$1,169 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022 are \$2,978,904 and \$3,587,734, respectively.

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

(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 years ended December 31, 2023 and 2022:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Rental revenue	\$ 804,018	\$ 736,441
Rental revenue from variable lease payments	\$ 491,209	\$ 434,434

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

	December 31, 2023	December 31, 2022
Within 1 year	\$ 276,917	\$ 258,640
1~2 years	247,272	193,998
2~3 years	209,596	172,065
3~4 years	184,291	139,881
4~5 years	146,631	117,816
Over 5 years	748,153	260,316
	<u>\$ 1,812,860</u>	<u>\$ 1,142,716</u>

(10) Investment property

	2023		
	Land	Buildings	Total
At January 1	\$ 1,274,234	\$ 233,913	\$ 1,508,147
Additions	241,611	154,903	396,514
Disposals	- (	365) (	365)
Transfer	5,828	13,578	19,406
Depreciation charge	- (	7,593) (	7,593)
At December 31	<u>\$ 1,521,673</u>	<u>\$ 394,436</u>	<u>\$ 1,916,109</u>

	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	<u>\$ 1,274,234</u>	<u>\$ 233,913</u>	<u>\$ 1,508,147</u>

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Rental income from investment property	<u>\$ 79,787</u>	<u>\$ 72,516</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 25,233</u>	<u>\$ 25,555</u>

B. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 ranged from \$3,722,237 to \$4,768,274, 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 2.41% to 2.66% and the growth rate of 3%~15%.

C. No investment property of the Company was pledged to others.

(11) Intangible assets

<u>Software and copyright</u>	2023	2022
At January 1	\$ 358,172	\$ 290,720
Additions	332,330	196,162
Amortization charge	(186,245)	(128,710)
At December 31	<u>\$ 504,257</u>	<u>\$ 358,172</u>

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

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

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	\$ 1,721,024	\$ 1,680,486
Prepaid land	900,000	600,000
Others	126,153	135,038
	<u>\$ 2,747,177</u>	<u>\$ 2,415,524</u>

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 second installment had been paid as of December 31, 2023.

(13) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ <u>7,750,000</u>	1.43%~1.61%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ <u>7,700,000</u>	1.24%~1.65%	None

There was no capitalization of borrowing costs for the years ended December 31, 2023 and 2022, respectively. Relevant interest expenses on borrowings is recognized as “finance costs”.

(14) Short-term notes and bills payable

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Commerical papers payable	\$ 3,500,000	1.55%~1.61%	Please refer to the below for details
Less: Unamortized discount	(<u>2,910</u>)		
	\$ <u>3,497,090</u>		

A. There was no commercial papers payable at December 31, 2022.

B. The above commercial papers were issued and secured by Sumitomo Mitsui Banking Corporation, Credit Agricole Corporate and Investment Bank and China Bills Finance Corporation for short-term financing.

(15) Other payables

	December 31, 2023	December 31, 2022
Store collections	\$ 14,307,517	\$ 12,745,952
Wages, salaries and bonus payable	1,685,692	1,503,648
Incentive bonus payable to franchisees	1,244,372	1,143,698
Employees' compensation and remuneration for directors	772,653	663,808
Payables for acquisition of property, plant and equipment	747,267	2,055,469
Payables for system development and maintenance expenses	300,432	142,438
Payables for labor and health insurance	89,292	84,532
Rent payable	37,036	40,975
Others	2,216,848	1,303,439
	\$ <u>21,401,109</u>	\$ <u>19,683,959</u>

(16) Other current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Advance receipts for gift certificates	\$ 1,526,105	\$ 1,496,265
Others	<u>158,154</u>	<u>162,768</u>
	<u>\$ 1,684,259</u>	<u>\$ 1,659,033</u>

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings			
Credit loan	1.43%~1.80%	None	<u>\$ 5,550,000</u>

A. There was no long-term bank borrowings at December 31, 2022.

B. 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 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 2.51% and 2.28% 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 recognized in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	(\$ 3,155,174)	(\$ 3,378,953)
Fair value of plan assets	<u>1,343,656</u>	<u>1,394,708</u>
Net defined benefit liability	<u>(\$ 1,811,518)</u>	<u>(\$ 1,984,245)</u>

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

	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 3,378,953)	\$ 1,394,708	(\$ 1,984,245)
Current service cost	(17,278)	-	(17,278)
Interest (expense) income	(43,210)	17,693	(25,517)
Past service cost	(229)	-	(229)
	<u>(3,439,670)</u>	<u>1,412,401</u>	<u>(2,027,269)</u>
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	12,266	12,266
Change in demographic assumptions	(154)	-	(154)
Experience adjustments	<u>17,012</u>	<u>-</u>	<u>17,012</u>
	<u>16,858</u>	<u>12,266</u>	<u>29,124</u>
Pension fund contribution	-	163,624	163,624
Paid pension	<u>267,638</u>	<u>(244,635)</u>	<u>23,003</u>
At December 31	<u>(\$ 3,155,174)</u>	<u>\$ 1,343,656</u>	<u>(\$ 1,811,518)</u>
	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)
	<u>(4,002,110)</u>	<u>1,263,713</u>	<u>(2,738,397)</u>
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	<u>276,252</u>	<u>-</u>	<u>276,252</u>
Experience adjustments	<u>93,399</u>	<u>-</u>	<u>93,399</u>
	<u>369,577</u>	<u>105,267</u>	<u>474,844</u>
Pension fund contribution	-	275,825	275,825
Paid pension	<u>253,580</u>	<u>(250,097)</u>	<u>3,483</u>
At December 31	<u>(\$ 3,378,953)</u>	<u>\$ 1,394,708</u>	<u>(\$ 1,984,245)</u>

(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, 2023 and 2022 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, 2023	For the year ended December 31, 2022
Discount rate	1.30%	1.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 6th 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	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 76,643)	\$ 79,403	\$ 79,921	(\$ 77,565)
	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 85,515)	\$ 88,704	\$ 89,091	(\$ 86,359)

The sensitivity analysis above is 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 types of assumptions used in preparing the sensitivity analysis are the same as the prior year.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$36,664.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	121,656
1-2 year(s)		149,575
2-5 years		482,664
Over 5 years		2,831,652
	\$	<u>3,585,547</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the Company’s defined contribution pension plan for the years ended December 31, 2023 and 2022 were \$241,079 and \$227,595, respectively.

(19) Share capital

As of December 31, 2023, 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, 2023 and 2022.

(20) 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.

(21) 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 shall 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 2022 and 2021 were resolved by the shareholders on May 30, 2023 and May 26, 2022 respectively, as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 978,415		\$ 804,972	
Special reserve appropriated	-		588,894	
Reversal of special reserve	(1,866,890)		-	
Cash dividends - Retained earnings	9,356,600	\$ 9.00	7,495,676	\$ 7.21
Cash dividends - Legal reserve	-	-	1,860,924	1.79

- E. The appropriations for 2023 as resolved by the Board of Directors on February 27, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,062,348	
Reversal of special reserve	(54,625)	
Cash dividends - Retained earnings	9,356,600	\$ 9.00

(22) Other equity items

	2023		
	Financial statements translation differences of <u>foreign operations</u>	Unrealized gains (losses) from financial assets measured at fair value through other <u>comprehensive income</u>	<u>Total</u>
At January 1	(\$ 590,018)	\$ 535,393	(\$ 54,625)
Revaluation and transfer:			
–The Company	-	171,930	171,930
–Subsidiaries	-	-	-
–Associates	-	5,565	5,565
Revaluation - tax	- (	1,951)	(1,951)
Currency translation differences:			
–The Company	(62,999)	-	(62,999)
–Subsidiaries	(313)	-	(313)
–Associates	3,872	-	3,872
At December 31	(\$ 649,458)	\$ 710,937	\$ 61,479

	2022		
	Financial statements translation differences of <u>foreign operations</u>	Unrealized gains (losses) from financial assets measured at fair value through other <u>comprehensive income</u>	<u>Total</u>
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)

(23) Operating revenue

	For the year ended <u>December 31, 2023</u>	For the year ended <u>December 31, 2022</u>
Revenue from contracts with customers	\$ 197,663,849	\$ 182,872,403

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, 2023	For the year ended December 31, 2022
Timing of revenue recognition		
–At a point in time	\$ 196,649,553	\$ 181,959,481
–Over time	1,014,296	912,922
	<u>\$ 197,663,849</u>	<u>\$ 182,872,403</u>

B. Contract liabilities

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

	December 31, 2023	December 31, 2022
Contract liabilities – advance receipts of gift payments	\$ 4,441,053	\$ 4,082,878
Contract liabilities – franchise fee	297,642	276,649
Contract liabilities – customer loyalty programs	762,718	642,998
Contract liabilities – others	67,445	81,163
	<u>\$ 5,568,858</u>	<u>\$ 5,083,688</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$3,358,814 and \$3,550,851 for the years ended December 31, 2023 and 2022, respectively.

(24) Interest income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	<u>\$ 91,102</u>	<u>\$ 43,869</u>

(25) Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Grants income	\$ 816,881	\$ 766,423
Rental revenue	227,800	216,474
Dividend income	53,884	121,126
Other income	531,757	624,396
	<u>\$ 1,630,322</u>	<u>\$ 1,728,419</u>

(26) Other gains and losses

	For the year ended December 31, 2023	For the year ended December 31, 2022
Gain from lease modification	\$ 59,696	\$ 53,170
(Loss) gain on disposal of investment property	(365)	29,507
Loss on disposal of property, plant and equipment	(75,592)	(86,484)
Others	(10,968)	(116,094)
	<u>(\$ 27,229)</u>	<u>(\$ 119,901)</u>

(27) Financial costs

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest expense on lease liabilities	\$ 370,728	\$ 347,557
Financial expense, others	218,688	85,683
	<u>\$ 589,416</u>	<u>\$ 433,240</u>

(28) Expenses by nature

	For the year ended December 31, 2023	For the year ended December 31, 2022
Net cost of goods sold	\$ 128,821,148	\$ 119,517,585
Incentive bonuses for franchisees	26,076,335	24,418,945
Depreciation and amortization	13,074,605	12,071,298
Employee benefit expenses	8,287,780	7,583,938
Utilities expense	3,069,427	2,669,797
Operating lease payments	139,254	116,904
Other costs and expenses	11,568,425	10,400,702
Total operating costs and operating expenses	<u>\$ 191,036,974</u>	<u>\$ 176,779,169</u>

(29) Employee benefit expense

	For the year ended December 31, 2023	For the year ended December 31, 2022
Wages and salaries	\$ 6,853,580	\$ 6,292,331
Labor and health insurance fees	565,145	526,243
Pension costs	284,103	267,860
Directors' remuneration	203,321	176,186
Other personnel expenses	381,631	321,318
	<u>\$ 8,287,780</u>	<u>\$ 7,583,938</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, 2023 and 2022, employees' compensation was accrued at \$579,158 and \$497,571, respectively; while directors' remuneration was accrued at \$193,495 and \$166,237, 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, 2023. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$579,158 and \$193,495, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration for 2022 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax:		
Current tax on profits for the year	\$ 1,769,103	\$ 1,487,675
Tax on undistributed surplus earnings	65,808	-
Over provision of prior year's income tax	(81,222)	(16,546)
Total current tax	1,753,689	1,471,129
Deferred tax:		
Origination and reversal of temporary differences	112,795	(30,515)
Income tax expense	<u>\$ 1,866,484</u>	<u>\$ 1,440,614</u>

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 1,951	\$ 1,187
Remeasurement of defined benefit obligations	5,824	94,969
	<u>\$ 7,775</u>	<u>\$ 96,156</u>

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2023	For the year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 2,496,080	\$ 2,144,453
Expenses disallowed by tax regulation	(10,520)	(63,960)
Tax on profit for using equity method by domestic subsidiaries	(603,662)	(623,333)
Over provision of prior year's income tax	(81,222)	(16,546)
Investment tax credit	65,808	-
Income tax expense	<u>\$ 1,866,484</u>	<u>\$ 1,440,614</u>

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

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 342	\$ 4,853	\$ -	\$ 5,195
Unrealized expenses	181,289	20,990	-	202,279
Contract liabilities	128,788	23,944	-	152,732
Remeasurements of defined benefit obligation	417,228	-	(5,824)	411,404
Others	19,000	8,424	-	27,424
	<u>746,647</u>	<u>58,211</u>	<u>(5,824)</u>	<u>799,034</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(29,672)	(38,080)	(1,951)	(69,703)
Foreign investment income	(3,572,213)	(132,926)	-	(3,705,139)
	<u>(3,601,885)</u>	<u>(171,006)</u>	<u>(1,951)</u>	<u>(3,774,842)</u>
	<u>(\$2,855,238)</u>	<u>(\$ 112,795)</u>	<u>(\$ 7,775)</u>	<u>(\$ 2,975,808)</u>

	2022			
		Recognized in	Recognized in other comprehensive	
	January 1	profit or loss	income	December 31
<u>Deferred tax assets</u>				
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
	<u>778,010</u>	<u>63,606</u>	<u>(94,969)</u>	<u>746,647</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(29,063)	578	(1,187)	(29,672)
Foreign investment income	(3,538,544)	(33,669)	-	(3,572,213)
	<u>(3,567,607)</u>	<u>(33,091)</u>	<u>(1,187)</u>	<u>(3,601,885)</u>
	<u>(\$2,789,597)</u>	<u>\$ 30,515</u>	<u>(\$ 96,156)</u>	<u>(\$ 2,855,238)</u>

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

(31) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$10,613,914</u>	<u>1,039,622</u>	<u>\$ 10.21</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$10,613,914	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,457	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$10,613,914</u>	<u>1,042,079</u>	<u>\$ 10.19</u>

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	<u>\$ 9,281,650</u>	<u>1,039,622</u>	<u>\$ 8.93</u>
<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	<u>-</u>	<u>2,119</u>	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 9,281,650</u>	<u>1,041,741</u>	<u>\$ 8.91</u>
(32) <u>Supplemental cash flow information</u>			
Investing activities with partial cash payments			
	For the year ended December 31, 2023	For the year ended December 31, 2022	
Purchase of property, plant and equipment	\$ 5,841,346	\$ 7,210,428	
Add: Opening balance of payable on equipment	2,055,469	852,044	
Less: Ending balance of payable on equipment	(747,267)	(2,055,469)	
Cash paid during the year	<u>\$ 7,149,548</u>	<u>\$ 6,007,003</u>	

(33) Changes in liabilities from financing activities

	2023						
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term debt payable	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 7,700,000	\$ -	\$ -	\$ -	\$ 57,808,510	\$ 3,469,748	\$ 68,978,258
Changes in cash flow from financing activities	50,000	3,497,090	(9,356,600)	5,550,000	(8,736,191)	237,815	(8,757,886)
Interest paid (Note)	-	-	-	-	(370,728)	-	(370,728)
Changes in other non-cash items	-	-	9,356,600	-	10,653,784	-	20,010,384
At December 31	<u>\$ 7,750,000</u>	<u>\$ 3,497,090</u>	<u>\$ -</u>	<u>\$ 5,550,000</u>	<u>\$ 59,355,375</u>	<u>\$ 3,707,563</u>	<u>\$ 79,860,028</u>

Note: Presented in cash flows from operating activities.

	2022						
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term debt payable	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 53,469,386	\$ 3,197,650	\$ 60,167,036
Changes in cash flow from financing activities	4,200,000	-	(9,356,600)	-	(8,419,696)	272,098	(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	<u>\$ 7,700,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,808,510</u>	<u>\$ 3,469,748</u>	<u>\$ 68,978,258</u>

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, 2023.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
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 Hsyng Co., Ltd.	"
Uni-President Organics Corp.	Investee of the Company accounted for under the equity
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	"
Cheng-Shi Construction Co., Ltd.	"

(3) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
<u>Commission revenue from collection services</u>		
Subsidiaries	\$ 549,350	\$ 519,606
Sister companies	6,574,354	6,757,073
Associates	3	3
	<u>\$ 7,123,707</u>	<u>\$ 7,276,682</u>

B. Purchases (net of purchase rebate)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ 19,231,929	\$ 17,304,860
Subsidiaries	7,999,780	7,265,161
Sister companies	5,609,333	5,137,993
Associates	211,475	223,617
Other related parties	802,474	786,927
	<u>\$ 33,854,991</u>	<u>\$ 30,718,558</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 10-70 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, 2023	For the year ended December 31, 2022
Ultimate parent company	\$ 56,087	\$ 54,342
Subsidiaries	1,253,113	1,186,980
Sister companies	7,184	21,490
Associates	17,213	19,663
Other related parties	17,226	77,953
	<u>\$ 1,350,823</u>	<u>\$ 1,360,428</u>

D. Receivables (payables) from related parties

<u>Other receivables</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Ultimate parent company	\$ 249,378	\$ 159,432
Subsidiaries	2,797,058	2,465,936
Sister companies	386,233	323,995
Associates	19,823	19,203
Other related parties	4	3
	<u>\$ 3,452,496</u>	<u>\$ 2,968,569</u>

<u>Notes payable and accounts payable</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Ultimate parent company	\$ 473,802	\$ 452,953
Subsidiaries	17,330,354	16,719,660
Sister companies	22,219	48,603
Associates	70,474	85,106
Other related parties	10,365	1,333
	<u>\$ 17,907,214</u>	<u>\$ 17,307,655</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

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Ultimate parent company	\$ -	\$ 6,985
Subsidiaries	17,179	-
Sister companies	18,414	-
Other related parties	6,880	-
Total	<u>\$ 42,473</u>	<u>\$ 6,985</u>

(c) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Ultimate parent company	\$ 3,072	\$ 5,919
Subsidiaries	47,727	40,208
Associates	27,077	36,737
Sister companies	50,602	40,206
Other related parties	315,365	361,462
Total	<u>\$ 443,843</u>	<u>\$ 484,532</u>

F. Property transaction

Acquisition of assets

		Year ended December 31, 2023	Year ended December 31, 2022
	Accounts		
Subsidiaries	Intangible assets	\$ 201,037	\$ 56,405
Sister companies	"	2,436	1,600
Associates	"	113,992	96,206
	Property, plant		
Ultimate parent company	and equipment	5,550	4,400
Subsidiaries	"	16,723	7,490
Sister companies	"	54,305	-
Associates	"	-	140
Other related parties	"	81,336	-
Total		<u>\$ 475,379</u>	<u>\$ 166,241</u>

(4) Key management compensation

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term employee benefits	<u>\$ 290,926</u>	<u>\$ 251,651</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Company signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for \$6,000,000. As of December 31, 2023, the amount the Company has signed but not paid is \$5,100,000.

(2) As of December 31, 2023, the remaining balance due for construction in progress and prepayments for equipment was \$1,143,590.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 85,480</u>	<u>\$ 85,480</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 1,019,411</u>	<u>\$ 847,481</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 13,155,276	\$ 10,617,340
Accounts receivable, net	742,759	740,136
Other receivables	4,955,393	4,391,775
Other current assets (Note)	-	15,582
Guarantee deposit paid	<u>1,721,024</u>	<u>1,680,486</u>
	<u>\$ 20,574,452</u>	<u>\$ 17,445,319</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 7,750,000	\$ 7,700,000
Short-term notes and bills payable	3,497,090	-
Notes payable	8,859,215	8,104,460
Accounts payable	11,909,440	11,914,554
Other payables	21,401,109	19,683,959
Long-term debt payable	5,550,000	-
Guarantee deposit received	<u>3,707,563</u>	<u>3,469,748</u>
	<u>\$ 62,674,417</u>	<u>\$ 50,872,721</u>
Lease liabilities	<u>\$ 59,355,375</u>	<u>\$ 57,808,510</u>

Note: The Company's trust account for advance receipts of gift certificates and gift payments.

B. Risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- I. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Foreign 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 information on of assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
(Foreign currency: functional currency)	Foreign currency	Exchange	Book value
	amount		
	(In thousands)	rate	(NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 1,005,300	0.2172	\$ 218,351
<u>Investments accounted for using equity</u>			
<u>method</u>			
USD: NTD	884,496	30.7050	27,158,462
December 31, 2022			
(Foreign currency: functional currency)	Foreign currency	Exchange	Book value
	amount		
	(In thousands)	rate	(NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 897,600	0.2324	\$ 208,602
<u>Investments accounted for using equity</u>			
<u>method</u>			
USD: NTD	830,802	30.7100	25,513,915

- 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 \$27,203 and \$87 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022 would increase/decrease by \$1,357,923 and

\$1,275,696, 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, 2023 and 2022 would increase/decrease by \$10,918 and \$10,430, respectively.

Price risk

- I. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- II. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, with all other variables held constant, the post-tax profit for the years ended December 31, 2023 and 2022 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 \$50,971 and \$42,374, 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.
- 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, 2023 and 2022 would have decreased/increased by \$13,875 and \$0, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- III. 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.

- IV. 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.
- V. The Company adopts management of credit risk, whereby the default occurs when the contract payments are past due over certain number of days.
- VI. 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.
- VII. 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, 2023 and 2022.
- VIII. The Company has no written-off financial assets that are still under recourse procedures on December 31, 2023 and 2022.

(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, 2023 and 2022.
- III. The Company has undrawn borrowing facilities beyond one year of \$29,533,999 and \$22,191,127 as of December 31, 2023 and 2022, respectively.
- IV. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are 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	Between	Between	
<u>December 31, 2023</u>	<u>1 year</u>	<u>1 and 2 years</u>	<u>2 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 7,770,015	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,500,000	-	-	-
Lease liabilities	8,996,490	8,837,100	8,429,191	36,030,493
Long-term debt payable	33,207	2,018,038	3,555,683	-

Non-derivative financial liabilities:

	Less than	Between	Between	
<u>December 31, 2022</u>	<u>1 year</u>	<u>1 and 2 years</u>	<u>2 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 7,744,642	\$ -	\$ -	\$ -
Lease liabilities	8,629,502	8,396,665	8,022,497	34,667,207

- V. The Company neither expects the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expects the actual cash flow amount will be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the 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. The fair value of the Company's investment in is included in Level 2.

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, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2023			
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposit paid	\$ 1,721,024	\$ -	\$ -	\$ 1,644,193
<u>Financial liabilities:</u>				
Guarantee deposit received	\$ 3,707,563	\$ -	\$ -	\$ 3,566,032
	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposit paid	\$ 1,680,486	\$ -	\$ -	\$ 1,618,751
<u>Financial liabilities:</u>				
Guarantee deposit received	\$ 3,469,748	\$ -	\$ -	\$ 3,462,992

(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, 2023	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	1,015,063	-	4,348	1,019,411
	<u>\$1,015,063</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$1,104,891</u>
December 31, 2022	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	843,133	-	4,348	847,481
	<u>\$ 843,133</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 932,961</u>

(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:

	<u>Listed shares</u>
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, 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, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2023 and 2022, 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 is to verify the independent fair value of financial instruments. Such assessments is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is valued 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:

	<u>Fair value at December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.47	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

	Fair value at December 31, 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

- 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, 2023 and 2022.

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
For the year ended December 31, 2023

Table 1

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		Balance at		Actual amount		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
					December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	drawn down	Interest rate					Item	Value			
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	1.46%~1.56%		Short-term financing	\$ -	Additional operating capital	\$ -	- None	\$ -	\$ 298,818	\$ 298,818	
2	Shanghai President Logistic Co., Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital		- None	-	268,849	268,849	
3	President Chain Store (Taizhou) Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital		- None	-	193,384	193,384	
4	President Chain Store (Shanghai) Ltd.	President Chain Store (Zhejiang) Ltd.	Other receivables	Y	43,247	43,247		-	-		Short-term financing	-	Purchase of equipment , Additional operating capital		- None	-	56,450	56,450	

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)
December 31, 2023

Table 2 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, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
President Chain Store Corp.	Stock: 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	796,712	2.79	796,712	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	218,351	0.62	218,351	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
Books.com. Co., Ltd.	Beneficiary certificates: CTBC Hua Win Money Market Fund	None	Financial assets at fair value through profit or loss – current	3,625,367	\$ 41,022	-	\$ 41,022	
Books.com. Co., Ltd.	Union Money Market Fund	"	"	4,937,072	67,021	-	67,021	
Uni-President Department Store Corp.	Taishin 1699 Money Market Fund	"	"	14,761,021	205,806	-	205,806	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	3,874,915	54,026	-	54,026	
Q-ware Systems & Services Corp.	Taishin 1699 Money Market Fund	"	"	7,172,315	100,000	-	100,000	
Q-ware Systems & Services Corp.	Mega Diamond Money Market Fund	"	"	17,054,925	220,000	-	220,000	
President Collect Service Corp.	UPAMC James Bond Money Market Fund	"	"	6,137,784	105,240	-	105,240	
President Collect Service Corp.	Taishin 1699 Money Market Fund	"	"	10,769,345	150,151	-	150,151	

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES																
Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital																
For the year ended December 31, 2023																
Table 3																
Expressed in thousands of NTD (Except as otherwise indicated)																

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
For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of 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			
President Chain Store Corp.	Taoyuan Aerotropolis Industry Area	July 28,2022	\$ 6,000,000	The second installment was paid. Total amount is 900 million.	Taoyuan City Government and Civil Aeronautics Administration	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the market conditions. (Note 1)	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	Taoyuan Aerotropolis Industry Area base H	May 2, 2023	615,000	19% of price was paid	Uni-President Express Corp. etc.	Note 2	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	As a logistics park for the Group	Not applicable
President Chain Store Corp.	Mandated construction on rented land in Mingde Section, Tucheng Dist., New Taipei City	August 1, 2023	733,237	12% of price was paid	Uni-President Enterprises Corp. and CHENG-SHI CONSTRUCTION CO., LTD. etc.	Note 3	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	Land and building located Meicun Rd., and Mingyi St., West Dist., Taichung City.	November 10, 2023	447,000	100% of price was paid	Natural person	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4	Based on the comprehensive planning of the company	Not applicable

Note 1: Public tendering land from Taoyuan City Government and Civil Aeronautics Administration.

Note 2: Uni-President Express Corp., the counter-party, is the subsidiary of ultimate parent company.

Note 3: Uni-President Enterprises Corp., the counter-party, is the ultimate parent company and CHENG-SHI CONSTRUCTION CO., LTD., the counter-party, is subsidiary of investee of ultimate parent company accounted for using the equity method.

Note 4: Based on the appraisal results of Euro-Asia Real Estate Appraisers Firm (Appraisal Amount \$457,622) and market conditions.

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
For the year ended December 31, 2023

Table 5

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	\$ 19,231,929	15	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,681,560) (8)		
	Uni-President Superior Commissary Corp.	Subsidiary	"	5,279,525	4	Net 30~45 days from the end of the month when invoice is issued	"	"	(475,037) (2)		
	Tung Ang Enterprises Corp.	Sister company	"	2,561,341	2	Net 30 days from the end of the month when invoice is issued	"	"	(200,118) (1)		
	21 Century Co., Ltd.	Subsidiary	"	1,183,514	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(207,811) (1)		
	Q-ware Systems & Services Corp.	"	"	1,054,558	1	Net 40 days from the end of the month when invoice is issued	"	"	(147,283) (1)		
	Kai Ya Food Co., Ltd.	Sister company	"	876,409	1	Net 40 days from the end of the month when invoice is issued	"	"	(135,080) (1)		
	Lien Bo Corp.	"	"	799,616	1	Net 10~54 days from the end of the month when invoice is issued	"	"	(90,731) -		
	Tait Marketing & Distribution Co., Ltd.	"	"	673,183	1	Net 20~70 days from the end of the month when invoice is issued	"	"	(121,029) (1)		
	President Packaging Industrial Corp.	"	"	594,063	-	Net 15~60 days from the end of the month when invoice is issued	"	"	(101,192) -		
	President Pharmaceutical Corp.	Subsidiary	"	533,705	-	Net 60~70 days from the end of the month when invoice is issued	"	"	(124,170) (1)		
	President Transnet Corp.	"	"	489,079	-	Net 60 days from the end of the month when invoice is issued	"	"	(72,177) -		
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	449,121	-	Net 30~65 days from the end of the month when invoice is issued	"	"	(114,980) (1)		
	Wei Lih Food Industrial Co., Ltd.	"	"	310,903	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(76,331) -		
	ICASH Corp.	Subsidiary	"	257,135	-	Net 60 days from the end of the month when invoice is issued	"	"	(41,796) -		
	Mister Donut Taiwan Co., Ltd.	Joint venture	"	131,956	-	Net 55~60 days from the end of the month when invoice is issued	"	"	(22,975) -		
	Uni-President Oven Bakery Corp.	Subsidiary	"	128,764	-	Net 40~60 days from the end of the month when invoice is issued	"	"	(21,878) -		
	President Drugstore Business Corp.	"	"	112,407	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(49,233) -		
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(296,071) (68)		Net 45~65 days from the end of the month when invoice is issued	"	"	63,650 66		
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	Delivery revenue	(1,581,122) (67)		Net 20 days from the end of the month when invoice is issued	"	"	139,088 46		
	President Transnet Corp.	Subsidiary of President Chain Store Corp.	"	(717,249) (30)		Net 40 days from the end of the month when invoice is issued	"	"	155,236 52		
President Transnet Corp.	Chieh Shun Logistics International Corp.	"	Service cost	717,249 7		Net 40 days from the end of the month when invoice is issued	"	"	(155,236) (7)		
	President Collect Service Corp.	"	Service revenue	(247,775) (2)		Net 30 days from the end of the month when invoice is issued	"	"	25,959 1		
	President Chain Store Corp.	Parent company	Sales revenue	(489,079) (56)		Net 60 days from the end of the month when invoice is issued	"	"	72,177 4		
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	571,852 9		Net 30 days from the end of the month when invoice is issued	"	"	(61,991) (7)		
	Tong Zhan Corporation Ltd.	Other related party	"	1,341,234 21		Net 25 days from the end of the month when invoice is issued	"	"	(140,744) (16)		

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
For the year ended December 31, 2023

Table 5

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)
Uni-Wonder Corp.	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	Purchases	\$ 314,964	5	Net 29 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 27,836) (3)		
	Tait Marketing & Distribution Co., Ltd.	Other related party	"	165,365	3	Net 30 days from the end of the month when invoice is issued	"	"	(25,707) (3)		
	Kai Ya Food Co., Ltd.	"	"	122,114	2	Net 30 days from the end of the month when invoice is issued	"	"	(26,170) (3)		
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(1,367,294) (65)		Net 30 days from the end of the month when invoice is issued	"	"	292,466 68		
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	"	(107,786) (5)		Net 45 days from the end of the month when invoice is issued	"	"	18,939 4		
	President Transnet Corp.	"	"	(101,546) (5)		Net 45 days from the end of the month when invoice is issued	"	"	20,404 5		
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	1,581,122 38		Net 20 days from the end of the month when invoice is issued	"	"	(139,088) (28)		
	Retail Support International Corp.	Parent company	Delivery revenue	(1,055,265) (24)		Net 20 days from the end of the month when invoice is issued	"	"	97,500 22		
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	(1,540,222) (36)		Net 20 days from the end of the month when invoice is issued	"	"	152,101 34		
	Wisdom Distribution Service Corp.	"	"	(1,416,114) (33)		Net 20 days from the end of the month when invoice is issued	"	"	166,908 37		
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	1,055,265 50		Net 20 days from the end of the month when invoice is issued	"	"	(97,500) (46)		
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(314,964) (1)		Net 29 days from the end of the month when invoice is issued	"	"	27,836 12		
	Retail Support Taiwan Corp.	Subsidiary	Service cost	351,909 17		Net 15~20 days from the end of the month when invoice is issued	"	"	(26,241) (12)		
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Subsidiary of President Chain Store Corp.	"	1,540,222 38		Net 20 days from the end of the month when invoice is issued	"	"	(152,101) (2)		
	President Chain Store Corp.	Parent company	Delivery revenue	(708,539) (65)		Net 30 days from the end of the month when invoice is issued	"	"	65,509 1		
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	Service cost	1,416,114 37		Net 20 days from the end of the month when invoice is issued	"	"	(166,908) (36)		
	Books.com. Co., Ltd.	"	Service revenue	(272,123) (6)		Net 30~90 days from the end of the month when invoice is issued	"	"	25,730 32		
	Presco Netmarketing, Inc.	Other related party	Delivery revenue	(124,594) (3)		Net 30 days from the end of the month when invoice is issued	"	"	12,999 16		
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	(1,054,558) (52)		Net 40 days from the end of the month when invoice is issued	"	"	147,283 46		
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	578,113 4		Net 70 days from the end of the month when invoice is issued	"	"	(13,017) (1)		
	President Chain Store Corp.	Parent company	Service revenue	(112,407) (1)		Net 30~60 days from the end of the month when invoice is issued	"	"	49,233 8		
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	107,485 1		Net 30~90 days from the end of the month when invoice is issued	"	"	(5,293) -		
President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary of President Chain Store Corp.	Sales revenue	(578,113) (28)		Net 70 days from the end of the month when invoice is issued	"	"	13,017 2		
	President Chain Store Corp.	Parent company	"	(533,705) (26)		Net 60~70 days from the end of the month when invoice is issued	"	"	124,170 23		

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
For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Uni-President Superior Commissary Corp.	President Chain Store Corp.	Parent company	Sales revenue	(\$ 5,279,525) (	96)	Net 30~45 days from the end of the month when invoice is issued	No significant differences	No significant differences	\$ 475,037	46	
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	265,291	7	Net 45~60 days from the end of the month when invoice is issued	"	"	(65,377) (	6)	
	Koasa Yamako Corp.	Other related party	"	291,879	8	Net 60 days from the end of the month when invoice is issued	"	"	(75,980) (	7)	
	21 Century Co., Ltd.	Subsidiary of President Chain Store Corp.	Sales revenue	(181,100) (	3)	Net 60 days from the end of the month when invoice is issued	"	"	46,560	5	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	"	(1,183,514) (	50)	Net 30~60 days from the end of the month when invoice is issued	"	"	207,811	59	
	Uni-President Superior Commissary Corp.	Subsidiary of President Chain Store Corp.	Purchases	181,100	11	Net 60 days from the end of the month when invoice is issued	"	"	(46,560) (	12)	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Parent company	Service revenue	(342,079) (	20)	Net 15~60 days from the end of the month when invoice is issued	"	"	70,819	28	
Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary of President Chain Store Corp.	Delivery revenue	(120,670) (	20)	Net 58 days from the end of the month when invoice is issued	"	"	12,721	41	
President Chain Store (Shanghai) Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary of President Chain Store Corp.	Service cost	120,670	9	Net 58 days from the end of the month when invoice is issued	"	"	(12,721)	6	
	President (Kunshan) Trading Co.,Ltd.	Other related party	Purchases	115,876	9	Net 28 days from the end of the month when invoice is issued	"	"	(9,660)	5	
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent company	Delivery revenue	(351,909) (	87)	Net 15~20 days from the end of the month when invoice is issued	"	"	26,241	77	
ICASH Corp.	President Chain Store Corp.	"	Sales revenue	(257,135) (	29)	Net 60 days from the end of the month when invoice is issued	"	"	41,796	27	
President Collect Service Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Service cost	247,775	87	Net 30 days from the end of the month when invoice is issued	"	"	(25,959) (	100)	
Uni-President Oven Bakery Corp.	President Chain Store Corp.	Parent company	Sales revenue	(128,764) (	37)	Net 40~60 days from the end of the month when invoice is issued	"	"	21,878	69	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Receivable from related parties			Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			General ledger account	Balance as of December 31, 2023	Turnover rate	Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	Accounts receivable	\$ 292,466	5.18	\$ -	None	\$ 180,846	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	Accounts receivable	475,037	8.03	-	"	-	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	Accounts receivable	147,283	7.49	-	"	58,042	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	Accounts receivable	124,170	3.72	-	"	51,135	-
21 Century Co., Ltd.	President Chain Store Corp.	"	Accounts receivable	207,811	5.98	-	"	41,580	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	Accounts receivable	166,908	8.29	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	Accounts receivable	152,101	10.70	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	Accounts receivable	139,088	11.41	-	"	-	-
Chieh Shun Logistics International Corp.	President Transnet Corp.	"	Accounts receivable	155,236	4.91	-	"	75,271	-
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Other receivable	249,378	-	-	"	63,841	-
President Chain Store Corp.	ICASH Corp.	Subsidiary of President Chain Store Corp.	Other receivable	164,029	-	-	"	477	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
1	President Chain Store Corp.	Uni-President Enterprises Corp.	Subsidiary to parent company	Other receivable	\$ 249,378	-	0.10
1	President Chain Store Corp.	ICASH Corp.	Parent company to subsidiary	Other receivable	164,029	-	0.06
2	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Delivery revenue	(708,539)	Net 30 days from the end of the month when invoice is issued	0.22
3	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(296,071)	Net 45~65 days from the end of the month when invoice is issued	0.09
4	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,367,294)	Net 30 days from the end of the month when invoice is issued	0.43
4	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	292,466	Net 30 days from the end of the month when invoice is issued	0.11
4	President Information Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Service revenue	(107,786)	Net 45 days from the end of the month when invoice is issued	0.03
4	President Information Corp.	President Transnet Corp.	Subsidiary to subsidiary	Service revenue	(101,546)	Net 45 days from the end of the month when invoice is issued	0.03
5	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,054,558)	Net 40 days from the end of the month when invoice is issued	0.33
5	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	147,283	Net 40 days from the end of the month when invoice is issued	0.06
6	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(5,279,525)	Net 30~45 days from the end of the month when invoice is issued	1.67
6	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	475,037	Net 30~45 days from the end of the month when invoice is issued	0.18
6	Uni-President Superior Commissary Corp.	21 Century Co., Ltd.	Subsidiary to subsidiary	Sales revenue	(181,100)	Net 60 days from the end of the month when invoice is issued	0.06
7	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(578,113)	Net 70 days from the end of the month when invoice is issued	0.18
7	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(533,705)	Net 60~70 days from the end of the month when invoice is issued	0.17
7	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	124,170	Net 60~70 days from the end of the month when invoice is issued	0.05
8	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(489,079)	Net 60 days from the end of the month when invoice is issued	0.15
8	President Transnet Corp.	President Collect Service Corp.	Subsidiary to subsidiary	Service revenue	(247,775)	Net 30 days from the end of the month when invoice is issued	0.08
9	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,581,122)	Net 20 days from the end of the month when invoice is issued	0.50
9	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	139,088	Net 20 days from the end of the month when invoice is issued	0.05
9	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(717,249)	Net 40 days from the end of the month when invoice is issued	0.23
9	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Accounts receivable	155,236	Net 40 days from the end of the month when invoice is issued	0.06
10	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,055,265)	Net 20 days from the end of the month when invoice is issued	0.33
10	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,540,222)	Net 20 days from the end of the month when invoice is issued	0.49
10	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	152,101	Net 20 days from the end of the month when invoice is issued	0.06

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets
					Amount	Transaction terms	
10	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(1,416,114)	Net 20 days from the end of the month when invoice is issued	0.45
10	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	166,908	Net 20 days from the end of the month when invoice is issued	0.06
11	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(342,079)	Net 15~60 days from the end of the month when invoice is issued	0.11
12	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(1,183,514)	Net 30~60 days from the end of the month when invoice is issued	0.37
12	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	207,811	Net 30~60 days from the end of the month when invoice is issued	0.08
13	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(272,123)	Net 30~90 days from the end of the month when invoice is issued	0.09
14	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(351,909)	Net 15~20 days from the end of the month when invoice is issued	0.11
15	Shanghai President Logistic Co., Ltd.	President Chain Store (Shanghai) Ltd.	Subsidiary to subsidiary	Delivery revenue	(120,670)	Net 58 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	(257,135)	Net 60 days from the end of the month when invoice is issued	0.08
17	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(314,964)	Net 29 days from the end of the month when invoice is issued	0.10
18	Uni-President Oven Bakery Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(128,764)	Net 40~60 days from the end of the month when invoice is issued	0.04
19	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(112,407)	Net 30~60 days from the end of the month when invoice is issued	0.04

Note:Transaction among the company and subsidiaries with amount over one hundred million, only one side of the transactions are disclosed.

Table 8

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	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	\$ 27,085,477	\$ 1,714,115	\$ 1,714,115		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	2,167,796	377,217	377,218		Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,365,288	1,229,096	860,367		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	840,062	201,949	163,318		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	709,670	125,591	92,611		Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	527,745	203,819	142,673		Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	617,635	87,594	78,834		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	1,290,811	439,828	263,897		Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	513,102	115,912	99,684		Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	430,470	128,661	111,473		Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	73,100,000	100.00	1,271,428	366,417	366,232		Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	250,727	23,673	11,836		Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,857	24	24		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	234,666	210,699	107,457		Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	372,047 (	47,007) (	47,007)		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	782,012	189,843	37,969		Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,874,066	759,875	362,729		Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	174,842	207,242	51,810		Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Hypermarket and supermarket	12,554,991	7,112,028	223,343,556	30.00	9,864,735 (	1,373,349) (	1,825)		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	2,272,693	502,243	95,426		Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	489,695	480,008	16,344		Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	50,313 (	85,860) (	5,349)		Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00 (	2,323) (	29,761) (	29,761)		Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	107,006	57,640	57,640		Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	72,985	4,503	4,152		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	43,875	25,124	25,123		Subsidiary

Table 8

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023			Investment income (loss)		
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the	Investment income (loss)	
									investee for the year ended December 31, 2023	recognized by the Company for the year ended December 31, 2023	Footnote
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	\$ 170,000	\$ 170,000	12,244,390	100.00	\$ 50,224	\$ 15,352	\$ 15,352	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(236,322)	(86,215)	(86,215)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	187,991	1,863	1,862	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	93,315	12,165	12,165	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	681,300	681,300	29,000,000	100.00	(52,881)	(84,305)	(84,305)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	89,031	96,231	67,361	Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	139,465	92,401	46,201	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	40,853	11,876	4,324	Note
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	29,528	62,970	9,445	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	202,963	202,963	21,722,779	100.00	(165,649)	(194,434)	(194,436)	Subsidiary
Capital Marketing Consultant Corp.	Uni-Capital Marketing Consultant Holding Co., Ltd.	British Virgin Islands	Professional investment	14,868	14,868	463,907	100.00	13,672	2,131	2,131	Subsidiary of a subsidiary
Capital Marketing Consultant Corp.	Uni-Sogood Marketing Consultant Philippines Corp.	Philippines	Enterprise management consultancy	22,632	-	40,000,000	100.00	17,572	(4,653)	(4,653)	Subsidiary of a subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	18,548	8,680	5,208	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	22,722	22,722	740,000	7.80	6,175	4,503	351	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	2,197,231	2,197,231	71,559,390	100.00	3,892,375	1,079,857	1,079,857	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,782,516	4,782,516	134,603,354	100.00	2,774,751	(347,411)	(347,411)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	2,196,371	2,196,371	418,467,647	55.32	3,891,572	1,952,010	1,080,349	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	339,207	29,533	29,533	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	394,432	178,024	12,911,833	100.00	144,105	(43,856)	(43,856)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	23,673	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	203,819	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	201,949	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	115,912	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,229,096	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	128,661	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	210,699	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	125,591	-	Subsidiary of a subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023				Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value					
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ -	\$ -	1	-	\$ -		\$ 92,401	\$ -	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-		87,594	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-		439,828	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-		207,242	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-		96,231	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	British Virgin Islands	Professional investment	60,374	60,374	2,000,000	100.00	(27,262)	(	33,079)	(	33,079)	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	67,956		43,920		22,399	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	197,778		101,812		49,888	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	24,218		101,812		6,109	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	100,907		101,812		25,453	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	105,350	(	11,854)	(	11,854)	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	80,726		101,812		20,362	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,947	24,947	12,500,000	100.00	24,947		39,918		-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	27,021	27,021	40,000	100.00	27,021		1,455		-	Subsidiary of a subsidiary

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

Table 9

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2023

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net profit (loss) of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2023		Book value of investments in December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote	
					Remitted to Mainland China	Remitted back to Taiwan				December 31, 2023	December 31, 2023				December 31, 2023
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 432,465	Note 1	\$ 289,158	\$ -	\$ -	\$ 289,158	\$ 4,760	100.00	\$ 4,759	\$ 79,126	\$ -	Note 2		
President Chain Store (Shanghai) Ltd.	Cvenience Store	3,027,255	Note 1	3,027,255	-	-	3,027,255	(211,130)	100.00	(211,135)	141,130	-	Note 2		
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	61,410	Note 1	61,410	-	-	61,410	62,355	100.00	62,352	672,145	-	Note 2		
Shan Dong President Yinzuo Commercial Limited	Supermarkets	259,479	Note 1	125,226	-	-	125,226	(245,704)	55.00	(122,248)	(145,292)	7,983	Note 2		
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	385,574	Note 1	169,341	216,233	-	385,574	(41,910)	73.74	(30,905)	90,621	56,996	Note 2		
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	172,986	Note 1	171,993	-	-	171,993	(23,557)	80.00	(18,845)	168,936	26,171	Note 2		
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	259,479	Note 1	259,479	-	-	259,479	39,907	100.00	39,908	483,476	-	Note 2		
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	216,233	Note 1	216,233	-	-	216,233	423	100.00	423	233,172	-	Note 2		
President Chain Store (Zhejiang) Ltd.	Cvenience Store	908,177	Note 1	908,177	-	-	908,177	(192,477)	100.00	(192,482)	(32,190)	-	Note 2		
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	259,479	Note 1	259,479	-	-	259,479	(37,984)	100.00	(37,985)	53,041	-	Note 2		
Uni-Capital Marketing Consultant Corp.	Enterprise management consultancy	12,974	Note 1	12,974	-	-	12,974	2,209	100.00	2,209	12,216	-	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, 2023	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.	\$ 5,121,849	\$ 9,863,940	\$ 28,708,440	
President Pharmaceutical Corp.	385,574	385,574	448,227	
Capital Marketing Consultant Corp.	12,974	12,974	80,000	
Uni-President Cold-Chain Corp.	91,115	91,115	1,278,487	
Ren-Hui Investment Corp.	52,914	52,914	80,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares
December 31, 2023

Table 10

Shareholder name	Shares held as at December 31, 2023	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

Statement 1

Expressed in thousands of NTD

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Petty cash in store		\$ 1,021,059
Demand deposits and checking accounts		11,135,091
Cash equivalents		
Short-term financial instruments	Due dates are within one month, and interest rates are at 1.26%.	<u>999,126</u>
		<u>\$ 13,155,276</u>

Statement 1

PRESIDENT CHAIN STORE CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023

Statement 2

Expressed in thousands of NTD

Item	Description	Amount		Footnote
		Cost	Market value	
Merchandise		\$ 12,757,798	<u>\$ 14,722,167</u>	The net realizable value is the market value.
Less: Allowance for valuation loss		(<u>103,033</u>)		
		<u>\$ 12,654,765</u>		

Statement 2

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 3

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions(Note)		Decreases		Balance as of December 31, 2023		
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	Collateral
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		577,527		171,930		-		749,457	
		<u>\$ 847,481</u>		<u>\$ 171,930</u>		<u>\$ -</u>		<u>\$ 1,019,411</u>	

Note: The amount increased 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
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 4

Expressed in thousands of NTD

Name	<u>Balance as of January 1, 2023</u>		<u>Additions</u>		<u>Decreases</u>		<u>Balance as of December 31, 2023</u>		
	<u>Number of shares</u>	<u>Book value</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Book value</u>	<u>Collateral</u>
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	<u>22,800</u>	-	<u>-</u>	-	<u>-</u>	2,667,600	<u>22,800</u>	"
Subtotal		240,975		-		-		240,975	
Valuation adjustment		(<u>155,495</u>)		<u>-</u>		<u>-</u>		(<u>155,495</u>)	
		<u>\$ 85,480</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, 2023

Statement 5

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2023			Market price or Equity of subsidiaries and Associates		
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price (dollars)	Total price	Collateral
President Chain Store (BVI) Holdings Ltd.	171,589,586	\$ 25,442,996	-	\$ 1,714,115	-	\$ -	(\$ 71,634)	171,589,586	100.00	\$ 27,085,477	\$ 157.85	\$ 27,085,477	None
President Drugstore Business Corp.	78,520,000	1,797,884	-	377,218	-	-	(7,306)	78,520,000	100.00	2,167,796	27.61	2,167,796	"
President Transnet Corp.	103,496,399	2,376,245	-	860,367	-	-	(871,324)	103,496,399	70.00	2,365,288	22.67	2,346,446	"
Mech-President Corp.	55,858,815	820,340	-	163,318	-	-	(143,596)	55,858,815	80.87	840,062	15.04	840,062	"
President Pharmaceutical Corp.	22,121,962	715,589	-	92,611	-	-	(98,530)	22,121,962	73.74	709,670	24.90	550,871	"
Uni-President Department Store Corp.	27,999,999	484,090	-	142,673	-	-	(99,018)	27,999,999	70.00	527,745	18.85	527,745	"
Uni-President Superior Commissary Corp.	48,519,890	567,811	-	78,834	-	-	(29,010)	48,519,890	90.00	617,635	12.73	617,635	"
Uni-President Cold-Chain Corp.	42,934,976	1,022,870	-	263,897	-	-	4,044	42,934,976	60.00	1,290,811	29.78	1,278,486	"
President Information Corp.	25,714,475	513,883	-	99,684	-	-	(100,465)	25,714,475	86.00	513,102	15.72	404,261	"
Q-ware Systems & Services Corp.	24,382,921	420,994	-	111,473	-	-	(101,997)	24,382,921	86.76	430,470	17.12	417,318	"
Wisdom Distribution Service Corp.	40,591,436	904,525	32,508,564	366,232	-	-	671	73,100,000	100.00	1,271,428	17.39	1,271,428	"
Books.com. Co., Ltd.	9,999,999	\$ 317,655	-	\$ 11,836	-	\$ -	(\$ 78,764)	9,999,999	50.03	\$ 250,727	\$ 25.07	\$ 250,727	"

Name	Balance as of January 1, 2023		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2023			Market price or Equity of subsidiaries and Associates		
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price (dollars)	Total price	Collateral
Duskin Serve Taiwan Co., Ltd.	10,199,999	237,178	-	107,457	-	- (	109,969)	10,199,999	51.00	234,666	23.01	234,666	None
ICASH Corp.	70,000,000	418,981	-	-	- (	47,007)	73	70,000,000	100.00	372,047	5.31	372,047	"
Uni-President Development Corp.	72,000,000	778,387	-	37,969	-	- (	34,344)	72,000,000	20.00	782,012	10.86	782,012	"
Uni-Wonder Corp.	21,382,674	4,941,483	-	362,729	-	- (	430,146)	21,382,674	60.00	4,874,066	341.30	7,297,924	"
Retail Support International Corp.	6,429,999	185,572	-	51,810	-	- (	62,540)	6,429,999	25.00	174,842	25.79	165,855	"
PresiCarre Corp.	145,172,360	4,868,968	78,171,196	5,442,963	- (	1,825)	(445,371)	223,343,556	30.00	9,864,735	63.63	14,211,220	"
President Fair Development Corp.	190,000,000	2,177,267	-	95,426	-	-	-	190,000,000	19.00	2,272,693	11.05	2,100,160	"
President International Development Corp.	44,100,000	469,939	-	16,344	-	-	3,412	44,100,000	3.33	489,695	11.08	488,658	"
21 Century Co., Ltd.	10,000,000	186,243	-	1,862	-	- (	114)	10,000,000	100.00	187,991	18.80	187,991	"
President Collect Service Corp., etc.	-	<u>640,306</u>	-	<u>241,786</u>	-	(<u>400,065</u>)	(<u>197,750</u>)	-	-	<u>284,277</u>	-	284,305	"
		<u>\$ 50,289,206</u>		<u>\$ 10,640,604</u>		<u>(\$ 448,897)</u>	<u>(\$ 2,873,678)</u>			<u>\$ 57,607,235</u>			

Note 1: The additions this year includes recognized gains on investments of \$5,197,641 and increase in investments of \$5,442,963.

Note 2: The decreases this year includes recognized losses on investments of (\$448,897).

Note 3: Other adjustments are cash dividends of (\$2,806,115), financial statements translation differences of foreign operations of (\$59,440), loss on remeasurement of defined benefit plan of (\$16,049), changes in fair value of financial assets at fair value through other comprehensive income of \$7,875, changes in capital surplus of \$51.

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 6

Expressed in thousands of NTD

<u>Item</u>	<u>Balance as of</u> <u>January 1, 2023</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfer</u>	<u>Balance as of</u> <u>December 31, 2023</u>	<u>Collateral</u>	<u>Footnote</u>
<u>Cost</u>							
Land	\$ 2,267,333	\$ 28,647	\$ -	(\$ 5,828)	\$ 2,290,152	None	
Buildings	960,289	18,367	-	(31,822)	946,834	"	
Operating equipment	19,362,908	3,079,231	(1,847,230)	381,856	20,976,765	"	
Leasehold improvements	11,997,536	2,472,476	(810,320)	59,878	13,719,570	"	
Others	<u>464,886</u>	<u>242,625</u>	<u>-</u>	<u>(441,734)</u>	<u>265,777</u>	"	
	<u>35,052,952</u>	<u>\$ 5,841,346</u>	<u>(\$ 2,657,550)</u>	<u>(\$ 37,650)</u>	<u>38,199,098</u>		
<u>Accumulated depreciation</u>							
Buildings	(\$ 402,812)	(\$ 18,466)	\$ -	\$ 18,244	(\$ 403,034)	"	
Operating equipment	(10,591,029)	(2,550,458)	1,729,307	(12)	(11,412,192)	"	
Leasehold improvements	(6,412,374)	(1,389,581)	742,629	12	(7,068,314)	"	
Others	<u>(10,747)</u>	<u>(1,105)</u>	<u>-</u>	<u>-</u>	<u>(11,852)</u>	"	
	<u>(17,425,962)</u>	<u>(\$ 3,959,610)</u>	<u>\$ 2,471,936</u>	<u>\$ 18,244</u>	<u>(18,895,392)</u>		
<u>Accumulated impairment</u>	<u>(22,504)</u>	<u>\$ -</u>	<u>\$ 2,878</u>	<u>\$ -</u>	<u>(19,626)</u>		
Book value	<u>\$ 17,604,486</u>				<u>\$ 19,284,080</u>		

Statement 6

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 7

Expressed in thousands of NTD

<u>Item</u>	<u>Balance as of January 1, 2023</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance as of December 31, 2023</u>	<u>Footnote</u>
<u>Buildings</u>					
Costs	\$ 79,830,061	\$ 11,714,796	(\$ 5,988,266)	\$ 85,556,591	
Accumulated depreciation	(<u>22,883,954</u>)	(<u>8,928,750</u>)	<u>4,647,874</u>	(<u>27,164,830</u>)	
Book value	<u>\$ 56,946,107</u>	<u>\$ 2,786,046</u>	(<u>\$ 1,340,392</u>)	<u>\$ 58,391,761</u>	

Statement 7

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023

Statement 8

Expressed in thousands of NTD

<u>Type of borrowings</u>	<u>Explanation</u>	<u>Balance as of</u>		<u>Contract period</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>Footnote</u>
		<u>December 31, 2023</u>					
Credit loan	Taipei Fubon Commercial Bank Co., Ltd.	\$ 1,000,000		2023/11/17~2024/01/17	1.61%	None	
"	Cathay United Bank Co., Ltd.	2,250,000		2023/12/04~2024/03/04	1.43%	"	
"	Standard Chartered Bank Taiwan Ltd.	500,000		2023/12/14~2024/01/12	1.58%	"	
"	Yuanta Commercial Bank Co., Ltd.	1,500,000		2023/11/30~2024/02/27	1.60%	"	
"	CTBC Bank Commercial Co., Ltd.	1,500,000		2023/09/27~2024/03/27	1.58%	"	
"	CTBC Bank Commercial Co., Ltd.	<u>1,000,000</u>		2023/12/14~2024/03/29	1.60%	"	
		<u>\$ 7,750,000</u>					

Statement 8

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31, 2023

Statement 9

Expressed in thousands of NTD

<u>Item</u>	<u>Guarantee/Accepting Agency</u>	<u>Contract period</u>	<u>Interest rate range</u>	<u>Amount</u>			<u>Footnote</u>
				<u>Issued price</u>	<u>Unamortized discount on short-term notes and bills payable</u>	<u>Book value</u>	
Commercial paper	Sumitomo Mitsui Banking Co.	2023/12/01~2024/01/30	1.55%	\$ 500,000	(\$ 575)	\$ 499,425	Note 1
"	Sumitomo Mitsui Banking Co.	2023/12/27~2024/01/26	1.56%	2,000,000	(2,005)	1,997,995	"
"	Credit Agricole Corporate and Investment Bank	2023/10/30~2024/01/09	1.61%	<u>1,000,000</u>	<u>(330)</u>	<u>999,670</u>	Note 2
				<u>\$ 3,500,000</u>	<u>(\$ 2,910)</u>	<u>\$ 3,497,090</u>	

Note 1: It is issued under the guarantee of Sumitomo Mitsui Banking Co. and China Bills Finance Co..

Note 2: It is issued under the guarantee of Crédit Agricole Corporate and Investment Bank and China Bills Finance Co..

PRESIDENT CHAIN STORE CORP.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023

Statement 10

Expressed in thousands of NTD

<u>Creditor</u>	<u>Description</u>	<u>Contract period</u>	<u>Interest rate range</u>	<u>Credit facilities</u>	<u>Amount</u>	<u>Collateral</u>	<u>Footnote</u>
Cathay United Bank Co., Ltd.	Credit loans	2023/12/31~2025/12/31	1.43%	\$ 2,000,000	\$ 2,000,000	None	The amount revolves until the expiry date, and payable upon maturity.
Yuanta Commercial Bank Co., Ltd.	"	2023/04/18~2026/04/18	1.60%	5,500,000	2,550,000	"	"
Bank of Taiwan	"	2023/04/25~2026/04/25	1.80%	3,000,000	1,000,000	"	The amount pays upon maturity.
					<u>\$ 5,550,000</u>		

PRESIDENT CHAIN STORE CORP.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023

Statement 11

Expressed in thousands of NTD

<u>Item</u>	<u>Summary</u>	<u>Lease period</u>	<u>Discount rate range</u>	<u>Balance as of December 31, 2023</u>	<u>Footnote</u>
Buildings	Current	2007/02/01~2072/02/29	0.55%~2.70%	\$ 8,873,333	
"	Non-Current	2007/02/01~2072/02/29	"	50,482,042	
				<u>\$ 59,355,375</u>	

PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 12

Expressed in thousands of NTD

<u>Item</u>	<u>Amount</u>	<u>Footnote</u>
Revenue from contracts with customers	<u>\$ 197,663,849</u>	Revenue are from sales of general merchandise such as food, cans, beverages and daily commodities, etc., and commission revenue from collections, etc.

PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 13

Expressed in thousands of NTD

<u>Item</u>	<u>Amount</u>
Inventory at beginning of the year	\$ 11,569,619
Inventory purchased	128,837,383
Compensation for damaged merchandise	(405,817)
Promotion income	(806,307)
Inventory at end of the year	(12,654,765)
Others	<u>4,455,292</u>
Operating costs	<u>\$ 130,995,405</u>

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 14

Expressed in thousands of NTD

<u>Item</u>	<u>Amount</u>
Incentive bonuses for franchisees	\$ 26,076,335
Wages and salaries	4,233,115
Utilities expense	3,064,506
Depreciation	12,853,471
Other expenses	<u>8,643,850</u>
	<u>\$ 54,871,277</u>

PRESIDENT CHAIN STORE CORP.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Statement 15

Expressed in thousands of NTD

By function By nature	2023			2022		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 6,853,580	\$ 6,853,580	\$ -	\$ 6,292,331	\$ 6,292,331
Labor and health insurance fees	-	565,145	565,145	-	526,243	526,243
Pension costs	-	284,103	284,103	-	267,860	267,860
Directors' remuneration	-	203,321	203,321	-	176,186	176,186
Other employee benefit expenses	-	381,631	381,631	-	321,318	321,318
Depreciation	-	12,888,360	12,888,360	-	11,942,588	11,942,588
Amortization	-	186,245	186,245	-	128,710	128,710

Note1: As of December 31, 2023 and 2022, the Company had 8,651 and 8,617 employees (including part-timers), including 10 directors, respectively.

Note2: For the years ended December 31, 2023 and 2022, the Company's average employee benefit expense was \$936 and \$861, respectively; while average wages and salaries was \$793 and \$731, respectively.

For the year ended December 31, 2023, the Company's change in average wages and salaries was 8.48%.

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, 2023 and 2022.

Statement 15