

**PRESIDENT CHAIN STORE CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2022 AND 2021**

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. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2022 AND 2021
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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of President Chain Store Corp. and subsidiaries as at June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$47,159,182 thousand and NT\$46,973,413 thousand, constituting 21% and 22% of the consolidated total assets, and total liabilities of NT\$31,606,761 thousand and NT\$32,078,662 thousand, constituting 17% and 19% of the consolidated total liabilities as at June 30, 2022 and 2021, respectively, and total comprehensive income of NT\$534,135 thousand,

NT\$44,868 thousand, NT\$715,240 thousand and NT\$134,422 thousand, constituting 16%, 3%, 11% and 3% of the consolidated total comprehensive income for the three months and six months then ended.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method, been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of President Chain Store Corp. and subsidiaries as at June 30, 2022 and 2021, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

August 4, 2022

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

Assets		Notes	June 30, 2022		December 31, 2021		June 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 48,791,346	22	\$ 45,648,486	21	\$ 47,027,960	22
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		1,147,480	1	660,155	-	1,768,944	1
1170	Accounts receivable, net	6(3) and 7	5,813,699	3	6,484,621	3	5,540,169	3
1200	Other receivables		4,083,012	2	2,663,819	1	3,985,545	2
1220	Current income tax assets	6(31)	1,893	-	7,708	-	1,722	-
130X	Inventories, net	6(4)	16,393,782	7	18,439,779	9	14,999,084	7
1410	Prepayments		1,847,613	1	1,986,167	1	2,041,319	1
1470	Other current assets		3,288,891	1	3,521,107	2	3,824,173	2
11XX	Total current assets		81,367,716	37	79,411,842	37	79,188,916	38
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss -							
	non-current		85,480	-	85,480	-	85,523	-
1517	Financial assets at fair value	6(5)						
	through other comprehensive							
	income - non-current		951,852	-	1,165,909	-	1,238,862	-
1550	Investments accounted for using	6(6)						
	equity method		8,500,966	4	8,637,199	4	8,415,269	4
1600	Property, plant and equipment	6(7) and 8	30,526,854	14	29,140,850	14	27,841,327	13
1755	Right-of-use assets	6(8) and 7	81,395,637	37	77,317,014	36	75,579,292	36
1760	Investment property, net	6(10) and 8	2,968,681	1	3,079,419	1	2,930,109	1
1780	Intangible assets	6(11)	9,730,171	4	9,813,940	5	9,809,748	5
1840	Deferred income tax assets	6(31)	2,059,547	1	2,058,420	1	2,092,840	1
1900	Other non-current assets	6(12) and 8	3,920,488	2	3,793,962	2	3,747,854	2
15XX	Total non-current assets		140,139,676	63	135,092,193	63	131,740,824	62
1XXX	Total assets		\$ 221,507,392	100	\$ 214,504,035	100	\$ 210,929,740	100

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

Liabilities and Equity		Notes	June 30, 2022		December 31, 2021		June 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current Liabilities								
2100	Short-term borrowings	6(14)	\$ 4,006,725	2	\$ 5,095,702	2	\$ 6,089,079	3
2130	Contract liabilities - current	6(24)	6,729,853	3	6,652,564	3	6,181,224	3
2150	Notes payable	7	1,024,326	-	2,027,808	1	1,326,019	1
2170	Accounts payable		22,481,941	10	23,255,735	11	20,050,579	9
2180	Accounts payable - related parties	7	3,227,898	1	3,046,035	1	2,516,068	
2200	Other payables	6(15)	38,820,428	18	28,885,785	14	35,577,774	17
2230	Current income tax liabilities	6(31)	1,598,121	1	1,410,650	1	1,416,548	1
2280	Lease liabilities - current	7	13,379,030	6	14,119,100	7	12,872,644	6
2320	Long-term liabilities, current portion	6(17) and 8	380,821	-	534,666	-	397,315	-
2399	Other current liabilities, others	6(16)	3,497,439	2	3,569,973	2	3,482,970	2
21XX	Total current liabilities		95,146,582	43	88,598,018	42	89,910,220	43
Non-current liabilities								
2527	Contract liabilities - non-current	6(24)	618,374	-	537,183	-	508,658	-
2540	Long-term borrowings	6(17) and 8	700,281	-	963,418	-	1,118,619	1
2570	Deferred income tax liabilities	6(31)	4,881,944	2	4,923,894	2	5,025,085	2
2580	Lease liabilities - non-current	7	71,733,109	33	66,918,530	31	66,255,334	32
2640	Net defined benefit liability - non-current	6(18)	4,366,560	2	4,600,348	2	4,907,407	2
2670	Other non-current liabilities, others	6(19)	5,338,979	3	5,171,152	3	5,003,848	2
25XX	Total non-current liabilities		87,639,247	40	83,114,525	38	82,818,951	39
2XXX	Total Liabilities		182,785,829	83	171,712,543	80	172,729,171	82
Equity attributable to owners of the parent								
	Share capital	6(20)						
3110	Share capital - common stock		10,396,223	5	10,396,223	5	10,396,223	5
	Capital surplus	6(21)						
3200	Capital surplus		86,906	-	86,222	-	47,622	-
	Retained earnings	6(22)						
3310	Legal reserve		14,323,836	7	15,379,788	7	15,379,788	7
3320	Special reserve		1,921,515	1	1,332,621	1	1,332,621	1
3350	Unappropriated retained earnings		4,626,305	2	8,889,669	4	4,666,907	2
	Other equity	6(23)						
3400	Other equity interest		(717,623)	(1)	(1,921,515)	(1)	(1,602,224)	(1)
31XX	Total equity attributable to owners of the parent		30,637,162	14	34,163,008	16	30,220,937	14
36XX	Non-controlling interest	6(33)	8,084,401	3	8,628,484	4	7,979,632	4
3XXX	Total equity		38,721,563	17	42,791,492	20	38,200,569	18
3X2X	Total liabilities and equity		\$ 221,507,392	100	\$ 214,504,035	100	\$ 210,929,740	100

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

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

Six months ended June 30, 2022 and 2021

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

Items		Notes	Three months ended June 30				Six months ended June 30			
			2022		2021		2022		2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(24) and 7	\$ 71,130,619	100	\$ 63,593,394	100	\$ 138,797,789	100	\$ 128,646,597	100
5000	Operating costs	6(4)(25) and 7	(47,572,002)	(67)	(42,462,433)	(67)	(92,339,366)	(67)	(85,334,397)	(66)
5900	Gross profit		<u>23,558,617</u>	<u>33</u>	<u>21,130,961</u>	<u>33</u>	<u>46,458,423</u>	<u>33</u>	<u>43,312,200</u>	<u>34</u>
	Operating expenses	6(25)(26)								
6100	Selling expenses		(18,000,240)	(25)	(16,816,317)	(26)	(35,370,386)	(25)	(33,287,859)	(26)
6200	General and administrative expenses		(2,568,025)	(4)	(2,228,004)	(4)	(4,988,711)	(4)	(4,756,995)	(4)
6450	Expected credit losses	12(2)	<u>262</u>	<u>-</u>	<u>(7,522)</u>	<u>-</u>	<u>(2,475)</u>	<u>-</u>	<u>(30,630)</u>	<u>-</u>
6000	Total operating expenses		(<u>20,568,003</u>)	(<u>29</u>)	(<u>19,051,843</u>)	(<u>30</u>)	(<u>40,361,572</u>)	(<u>29</u>)	(<u>38,075,484</u>)	(<u>30</u>)
6900	Operating profit		<u>2,990,614</u>	<u>4</u>	<u>2,079,118</u>	<u>3</u>	<u>6,096,851</u>	<u>4</u>	<u>5,236,716</u>	<u>4</u>
	Non-operating income and expenses									
7100	Interest income	6(27)	60,430	-	52,247	-	97,213	-	106,666	-
7010	Other income	6(28)	648,143	1	530,289	1	1,117,540	1	946,419	-
7020	Other gains and losses	6(29)	(22,023)	-	(31,403)	-	(74,482)	-	(47,013)	-
7050	Finance costs	6(30)	(287,984)	-	(307,809)	-	(568,745)	-	(614,680)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>232,412</u>	<u>-</u>	<u>107,498</u>	<u>-</u>	<u>204,267</u>	<u>-</u>	<u>204,012</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>630,978</u>	<u>1</u>	<u>350,822</u>	<u>1</u>	<u>775,793</u>	<u>1</u>	<u>595,404</u>	<u>-</u>
7900	Profit before income tax		3,621,592	5	2,429,940	4	6,872,644	5	5,832,120	4
7950	Income tax expense	6(31)	(714,130)	(1)	(482,477)	(1)	(1,407,710)	(1)	(912,840)	-
8000	Profit for the period from continuing operations		<u>2,907,462</u>	<u>4</u>	<u>1,947,463</u>	<u>3</u>	<u>5,464,934</u>	<u>4</u>	<u>4,919,280</u>	<u>4</u>
8200	Profit for the period		<u>\$ 2,907,462</u>	<u>4</u>	<u>\$ 1,947,463</u>	<u>3</u>	<u>\$ 5,464,934</u>	<u>4</u>	<u>\$ 4,919,280</u>	<u>4</u>

(Continued)

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

Six months ended June 30, 2022 and 2021

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

Items	Notes	Three months ended June 30				Six months ended June 30			
		2022		2021		2022		2021	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income (loss)									
8316 Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(5)(23)	(\$ 174,850)	-	\$ 103,042	-	(\$ 214,057)	-	\$ 279,035	-
8320 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(2,473)	-	1,044	-	(1,013)	-	2,118	-
8349 Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss	6(23)(31)	101	-	4,732	-	2,672	-	9,299	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		(177,222)	-	108,818	-	(212,398)	-	290,452	-
8361 Financial statements translation differences of foreign operations		600,404	1	(611,024)	(1)	1,398,492	1	(631,893)	-
8370 Share of other comprehensive loss (income) of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(23)	7,511	-	574	-	9,835	-	(1,845)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss		607,915	1	(610,450)	(1)	1,408,327	1	(633,738)	-
8300 Total other comprehensive income (loss) for the period		<u>\$ 430,693</u>	<u>1</u>	<u>(\$ 501,632)</u>	<u>(1)</u>	<u>\$ 1,195,929</u>	<u>1</u>	<u>(\$ 343,286)</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 3,338,155</u>	<u>5</u>	<u>\$ 1,445,831</u>	<u>2</u>	<u>\$ 6,660,863</u>	<u>5</u>	<u>\$ 4,575,994</u>	<u>4</u>
Profit attributable to:									
8610 Owners of the parent		\$ 2,451,874	3	\$ 1,768,408	3	\$ 4,622,300	3	\$ 4,478,010	4
8620 Non-controlling interests		455,588	1	179,055	-	842,634	1	441,270	-
		<u>\$ 2,907,462</u>	<u>4</u>	<u>\$ 1,947,463</u>	<u>3</u>	<u>\$ 5,464,934</u>	<u>4</u>	<u>\$ 4,919,280</u>	<u>4</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 2,927,884	4	\$ 1,322,993	2	\$ 5,826,192	4	\$ 4,208,407	4
8720 Non-controlling interests		410,271	1	122,838	-	834,671	1	367,587	-
		<u>\$ 3,338,155</u>	<u>5</u>	<u>\$ 1,445,831</u>	<u>2</u>	<u>\$ 6,660,863</u>	<u>5</u>	<u>\$ 4,575,994</u>	<u>4</u>
9750 Basic earnings per share	6(32)		2.36		1.70		4.45		4.31
9850 Diluted earnings per share	6(32)		2.36		1.70		4.44		4.30

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Six months ended June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Equity attributable to owners of the parent										
Notes	Retained Earnings					Other equity interest		Total	Non-controlling interest	Total equity
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income			
<u>Six months ended June 30, 2021</u>										
Balance at January 1, 2021	\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191	\$ 8,957,508	\$ 44,977,699
Profit for the period	-	-	-	-	4,478,010	-	-	4,478,010	441,270	4,919,280
Other comprehensive (loss) income for the period	6(23)	-	-	-	-	(560,567)	290,964	(269,603)	(73,683)	(343,286)
Total comprehensive income (loss) for the period		-	-	-	4,478,010	(560,567)	290,964	4,208,407	367,587	4,575,994
Distribution of 2020 earnings:	6(22)									
Legal reserve		-	1,010,560	-	(1,010,560)	-	-	-	-	-
Special reserve		-	-	952,434	(952,434)	-	-	-	-	-
Cash dividends		-	-	-	(9,356,600)	-	-	(9,356,600)	-	(9,356,600)
Non-controlling interest		-	-	-	-	-	-	-	(1,274,058)	(1,274,058)
Acquisition of additional equity interest in a subsidiary	6(33)	-	-	-	(650,393)	-	-	(650,393)	(71,405)	(721,798)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	(6)	-	-	-	-	(6)	-	(6)
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	(662)	-	-	(662)	-	(662)
Balance at June 30, 2021	<u>\$ 10,396,223</u>	<u>\$ 47,622</u>	<u>\$ 15,379,788</u>	<u>\$ 1,332,621</u>	<u>\$ 4,666,907</u>	<u>(\$ 2,533,835)</u>	<u>\$ 931,611</u>	<u>\$ 30,220,937</u>	<u>\$ 7,979,632</u>	<u>\$ 38,200,569</u>
<u>Six months ended June 30, 2022</u>										
Balance at January 1, 2022	\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008	\$ 8,628,484	\$ 42,791,492
Profit for the period	-	-	-	-	4,622,300	-	-	4,622,300	842,634	5,464,934
Other comprehensive (loss) income for the period	6(23)	-	-	-	-	1,414,169	(210,277)	1,203,892	(7,963)	1,195,929
Total comprehensive income (loss) for the period		-	-	-	4,622,300	1,414,169	(210,277)	5,826,192	834,671	6,660,863
Distribution of 2021 earnings:	6(22)									
Legal reserve		-	804,972	-	(804,972)	-	-	-	-	-
Special reserve		-	-	588,894	(588,894)	-	-	-	-	-
Cash dividends		-	(1,860,924)	-	(7,495,676)	-	-	(9,356,600)	-	(9,356,600)
Non-controlling interest		-	-	-	-	-	-	-	(1,378,754)	(1,378,754)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	684	-	-	-	-	684	-	684
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	3,878	-	-	3,878	-	3,878
Balance at June 30, 2022	<u>\$ 10,396,223</u>	<u>\$ 86,906</u>	<u>\$ 14,323,836</u>	<u>\$ 1,921,515</u>	<u>\$ 4,626,305</u>	<u>(\$ 1,362,726)</u>	<u>\$ 645,103</u>	<u>\$ 30,637,162</u>	<u>\$ 8,084,401</u>	<u>\$ 38,721,563</u>

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui -Tien

Accounting Manager: Lee, Johnnyh

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated profit before income tax for the period		\$ 6,872,644	\$ 5,832,120
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value	6(2)		
through profit or loss		(1,418)	(2,691)
Expected credit losses	12(2)	2,475	30,630
Depreciation expense	6(7)(8)(25)	10,527,821	10,073,940
Amortization expense	6(25)	325,471	284,076
Depreciation on investment property	6(10)(29)	77,524	77,186
Finance costs	6(30)	568,745	614,680
Share of profit of associates and joint ventures accounted for using equity method	6(6)		
		(204,267)	(204,012)
Loss (gain) on disposal of property, plant and equipment	6(29)	51,738	(12,680)
Gain on disposal of investment property	6(29)	(29,507)	(22,549)
Gain from lease modification	6(8)(29)	(76,280)	(52,055)
Interest income	6(27)	(97,213)	(106,666)
Dividend income	6(28)	(118,432)	(2,815)
Other income recognized from rent concessions	6(8)	(86,200)	(37,601)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(485,907)	339,243
Accounts receivable		668,447	631,809
Other receivables		(951,596)	(1,307,778)
Inventories		2,045,997	1,636,971
Prepayments		138,554	(863,036)
Other current assets		755,310	(337,091)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		77,289	946,426
Accounts payable		(591,931)	(2,490,512)
Notes payable		(1,003,482)	246,523
Other payables		(646,152)	655,425
Advance receipts		(72,534)	190,716
Contract liabilities - non-current		81,191	(55,176)
Net defined benefit liabilities		(233,788)	(62,485)
Cash inflow generated from operations		17,594,499	16,002,598
Interest received		97,163	107,400
Income tax paid		(1,254,829)	(1,535,562)
Interest paid		(567,711)	(614,612)
Dividend received		4,769	-
Net cash flows from operating activities		15,873,891	13,959,824

(Continued)

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Six months ended June 30	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method		\$ -	(\$ 2,913)
Acquisition of subsidiary		-	(50)
Acquisition of property, plant and equipment	6(34)	(5,244,161)	(4,124,444)
Proceeds from disposal of property, plant and equipment		34,540	115,160
Acquisition of investment property	6(10)	-	(160,155)
Proceeds from disposal of investment property		37,933	38,555
Increase in guarantee deposits paid		(605,138)	(35,693)
Acquisition of intangible assets	6(11)	(178,548)	(81,813)
Proceeds from business combinations		-	7,746
Decrease in other non-current assets		(107,664)	(195,622)
Net cash flows used in investing activities		(6,063,038)	(4,439,229)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(35)	(1,089,078)	1,344,668
Decrease in short-term notes and bills payable	6(35)	-	(3,399,147)
Increase in long-term borrowings	6(35)	104,260	343,538
Repayment of long-term borrowings	6(35)	(517,661)	(118,169)
Payments of lease liabilities	6(8)(35)	(6,678,472)	(6,203,190)
Increase in guarantee deposits received	6(35)	142,584	110,414
(Decrease) increase in other non-current liabilities	6(35)	(6,684)	199,521
Change in non-controlling interests		(29,148)	22,871
Acquisition of additional equity interest in a subsidiary	6(33)	-	(721,798)
Net cash flows used in financing activities		(8,074,199)	(8,421,292)
Effect of foreign exchange rate changes on cash and cash equivalents		1,406,206	(634,250)
Increase in cash and cash equivalents		3,142,860	465,053
Cash and cash equivalents at beginning of period		45,648,486	46,562,907
Cash and cash equivalents at end of period		\$ 48,791,346	\$ 47,027,960

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

1. HISTORY AND ORGANIZATION

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

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 4, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

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

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Group recognises deferred income tax on all deductible and taxable temporary differences associated with right-of-use assets, provision for decommissioning liability and its corresponding right-of-use assets. The impacted amount will be disclosed when the assessment is completed.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation, and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the FSC.

B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2021.

(2) Basis of preparation

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

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements, in conformity with 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 Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

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

- (a) The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2021.
- (b) The details of the individual financial statements of the Company’s subsidiaries reviewed or unreviewed by the independent auditors are summarized below:

Name of the subsidiaries	June 30, 2022	June 30, 2021
Retail Support International Corp.	Financial statements were reviewed	Financial statements were reviewed
President Chain Store (BVI) Holdings Ltd.	"	"
Shan Dong President Yinzuo Commercial Limited	"	"
Mech-President Corp.	"	"
President Transnet Corp.	"	"
President Drugstore Business Corp.	"	"
Books.com. Co., Ltd.	"	"
Uni-President Cold-Chain Corp.	"	"
President Chain Store (Hong Kong) Holdings Limited	"	"
President Pharmaceutical Corp.	"	"
Uni-Wonder Corp.	"	"
Other subsidiaries	Financial statements were unreviewed	Financial statements were unreviewed

- (c) The financial statements of the subsidiary, Philippine Seven Corp., for the year ended December 31, 2021 were audited by other independent auditors, and the financial statements of other subsidiaries were audited by the same independent auditors as that appointed by the Company.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment	100.00	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Professional investment	92.20	92.20	92.20	
The Company	Wisdom Distribution Service Corp.	Logistics and storage of publication and e-commerce	100.00	100.00	100.00	
The Company	President Drugstore Business Corp.	Sales of cosmetics, medicine and daily items	100.00	100.00	100.00	
The Company	Ren-Hui Investment Corp.	Professional investment	100.00	100.00	100.00	
The Company	Capital Marketing Consultant Corp.	Enterprise management consultancy	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	President Lanyang Art Corporation	Art and cultural exhibition	100.00	100.00	100.00	
The Company	Cold Stone Creamery Taiwan Ltd.	Sales of ice cream	100.00	100.00	100.00	
The Company	President Chain Store Corporation Insurance Brokers Co., Ltd.	Insurance brokers	100.00	100.00	100.00	
The Company	21 Century Co., Ltd.	Operation of chain restaurants	100.00	100.00	100.00	
The Company	President Being Corp.	Sports and entertainment business	100.00	100.00	100.00	
The Company	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00	100.00	100.00	
The Company	President Chain Store Tokyo Marketing Corp.	Trade and enterprise management consultancy	100.00	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing and electronic payment	100.00	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Fresh food manufacture	90.00	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software services	86.76	86.76	86.76	
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	86.00	
The Company	Mech-President Corp.	Gas station, installment and maintenance of elevators	80.87	80.87	80.87	
The Company	President Pharmaceutical Corp.	Sales of various health care products, cosmetics, and pharmaceuticals	73.74	73.74	73.74	
The Company	President Collect Service Corp.	Collection agent	70.00	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature logistics and warehousing	60.00	60.00	60.00	
The Company	Uni-Wonder Corp.	Coffee chain store	60.00	60.00	60.00	
The Company	Duskin Serve Taiwan Co., Ltd.	Cleaning instruments leasing and selling	51.00	51.00	51.00	
The Company	Books.com. Co., Ltd.	Retail business without shop	50.03	50.03	50.03	
The Company	Retail Support International Corp.	Room-temperature logistics and warehousing	25.00	25.00	25.00	(a)
The Company	Connection Labs Ltd.	Other software and internet-related	100.00	100.00	100.00	(b)
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment	100.00	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Professional investment	100.00	100.00	100.00	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	100.00	100.00	100.00	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00	20.00	20.00	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00	25.00	25.00	
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2022	December 31, 2021	June 30, 2021	
Retail Support International Corp.	Retail Support Taiwan Corp.	Room-temperature logistics and warehousing	51.00	51.00	51.00	
Retail Support International Corp.	President Logistics International Corp.	Trucking	49.00	49.00	49.00	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00	6.00	6.00	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Trucking	100.00	100.00	100.00	
Mech-President Corp.	Tong Ching Corporation	Gas station	60.00	60.00	60.00	
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	100.00	
President Pharmaceutical (Hong Kong) Holdings Limited	President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	100.00	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Convenience store	54.88	54.88	53.86	(c) (d)
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics, warehousing and retail	100.00	100.00	100.00	
Philippine Seven Corporation	Store Sites Holding, Inc.	Professional investment	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	Professional investment	7.80	7.80	7.80	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Convenience store	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistics Co., Ltd.	Logistics and warehousing	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Convenience store	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Beauty Wonder (Zhejiang) Trading Co., Ltd.	Sales of cosmetics and medicine	100.00	100.00	100.00	
Shanghai President Logistics Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	50.00	
Shanghai President Logistics Co., Ltd.	President Logistic ShanDong Co., Ltd.	Logistics and warehousing	100.00	100.00	100.00	
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	50.00	
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	Professional investment	100.00	100.00	100.00	
Ren-Hui Holdings Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Supermarkets	15.00	15.00	15.00	

(a) As the Company controls the financial and operating policies of Retail Support International Corp., the latter is included as a subsidiary in the consolidated financial statements.

- (b) The Company acquired an additional 70.87% shares of Connection Labs Ltd., in June 2021, and has control over it.
- (c) The Company acquired an additional 1.64% shares of the subsidiary, Philippine Seven Corp., in February 2021.
- (d) The Company acquired an additional 1.02% shares of the subsidiary, Philippine Seven Corp., in September 2021.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

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

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

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

There have been no significant changes during the period. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand and petty cash	\$ 1,299,694	\$ 1,385,063	\$ 1,493,092
Checking accounts and demand deposits	15,291,460	16,753,260	15,751,749
Cash equivalents			
Time deposits	23,209,769	23,071,796	23,510,708
Short-term financial instruments	8,990,423	4,438,367	6,272,411
	<u>\$ 48,791,346</u>	<u>\$ 45,648,486</u>	<u>\$ 47,027,960</u>

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

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss			
<u>Current items:</u>			
Beneficiary certificates	\$ 1,147,024	\$ 660,092	\$ 1,768,588
Valuation adjustment	<u>456</u>	<u>63</u>	<u>356</u>
	<u>\$ 1,147,480</u>	<u>\$ 660,155</u>	<u>\$ 1,768,944</u>
<u>Non-current items:</u>			
Unlisted stocks	\$ 241,515	\$ 241,515	\$ 275,243
Valuation adjustment	(156,035)	(156,035)	(189,720)
	<u>\$ 85,480</u>	<u>\$ 85,480</u>	<u>\$ 85,523</u>

- A. The Group recognized net profit of \$38,407 and \$2,691 in relation to financial assets at fair value through profit or loss for the six months ended June 30, 2022 and 2021, respectively.
- B. No financial assets at fair value through profit or loss of the Group were pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

(3) Accounts receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Accounts receivable	\$ 5,956,342	\$ 6,629,529	\$ 5,667,555
Less: Allowance for doubtful accounts	(142,643)	(144,908)	(127,386)
	<u>\$ 5,813,699</u>	<u>\$ 6,484,621</u>	<u>\$ 5,540,169</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Not past due	\$ 5,783,248	\$ 6,264,349	\$ 5,541,884
Up to 90 days	162,581	358,791	121,479
91 to 180 days	10,085	5,211	2,496
181 to 365 days	346	1,071	1,563
Over 365 days	<u>82</u>	<u>107</u>	<u>133</u>
	<u>\$ 5,956,342</u>	<u>\$ 6,629,529</u>	<u>\$ 5,667,555</u>

The above aging analysis was based on past due date.

- B. As of June 30, 2022, December 31, 2021 and June 30, 2021, accounts receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$6,215,272.
- C. As at June 30, 2022, December 31, 2021 and June 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$5,813,699, \$6,484,621, and \$5,540,169, respectively.
- D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

June 30, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 118,023	\$ -	\$ 118,023
Merchandise and finished goods	16,376,566	(100,807)	16,275,759
	<u>\$ 16,494,589</u>	<u>(\$ 100,807)</u>	<u>\$ 16,393,782</u>
December 31, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 86,325	\$ -	\$ 86,325
Merchandise and finished goods	18,443,602	(90,148)	18,353,454
	<u>\$ 18,529,927</u>	<u>(\$ 90,148)</u>	<u>\$ 18,439,779</u>
June 30, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 75,821	\$ -	\$ 75,821
Merchandise and finished goods	15,013,941	(90,678)	14,923,263
	<u>\$ 15,089,762</u>	<u>(\$ 90,678)</u>	<u>\$ 14,999,084</u>

The cost of inventories recognized as expense for the period:

	Three months ended June 30, 2022	Three months ended June 30, 2021
Cost of goods sold and service costs	\$ 47,102,615	\$ 41,941,591
Loss on valuation (gain on reversal) of inventories	785	(7,453)
Spoilage	409,210	492,400
Others	59,392	35,895
	<u>\$ 47,572,002</u>	<u>\$ 42,462,433</u>
	Six months ended June 30, 2022	Six months ended June 30, 2021
Cost of goods sold and service costs	\$ 91,273,557	\$ 84,167,850
Loss on valuation (gain on reversal) of inventories	10,659	2,909
Spoilage	909,873	1,040,820
Others	145,277	122,818
	<u>\$ 92,339,366</u>	<u>\$ 85,334,397</u>

The Group reversed a previous inventory write-down because the Group sold and scrapped certain inventories which were previously provided with allowance for the three months ended June 30, 2021.

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
<u>Equity instruments</u>			
Listed stocks	\$ 265,606	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348	4,348
	<u>269,954</u>	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	681,898	895,955	968,908
	<u>\$ 951,852</u>	<u>\$ 1,165,909</u>	<u>\$ 1,238,862</u>

- A. The Group has elected to classify the listed and unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$951,852, \$1,165,909 and \$1,238,862 as at June 30, 2022, December 31, 2021 and June 30, 2021, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 174,850)	\$ 103,042
Dividend income recognized in profit or loss	<u>\$ 81,443</u>	<u>\$ 2,815</u>
	<u>Six months ended June 30, 2022</u>	<u>Six months ended June 30, 2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 214,057)	\$ 279,035
Dividend income recognized in profit or loss	<u>\$ 81,443</u>	<u>\$ 2,815</u>

- C. As at June 30, 2022, December 31, 2021 and June 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$951,852, \$1,165,909 and \$1,238,862, respectively.
- D. No financial assets at fair value through other comprehensive income of the Group were pledged to others.
- E. Information relating to credit risk is provided in Note 12(2).

(6) Investments accounted for using the equity method

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
<u>Associates</u>			
PresiCarre Corp.	\$ 4,935,986	\$ 5,077,087	\$ 4,960,487
President Fair Development Corp.	2,142,046	2,123,492	2,100,021
Uni-President Development Corp.	758,115	757,554	751,001
President International Development Corp.	440,497	447,310	444,112
Tung Ho Development Corp.	56,438	60,012	25,735
Uni-President Organics Corp.	44,155	47,293	41,180
President Technology Corp.	21,170	26,723	24,169
	<u>8,398,407</u>	<u>8,539,471</u>	<u>8,346,705</u>
<u>Joint ventures</u>			
Mister Donut Taiwan Co., Ltd.	\$ 102,559	\$ 97,728	\$ 68,564
	<u>\$ 8,500,966</u>	<u>\$ 8,637,199</u>	<u>\$ 8,415,269</u>

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

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

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
Total comprehensive income	<u>\$ 235,907</u>	<u>\$ 129,891</u>
	<u>Six months ended June 30, 2022</u>	<u>Six months ended June 30, 2021</u>
Total comprehensive income	<u>\$ 199,884</u>	<u>\$ 224,145</u>

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

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
Total comprehensive income (loss)	<u>\$ 1,543</u>	<u>(\$ 20,775)</u>
	<u>Six months ended June 30, 2022</u>	<u>Six months ended June 30, 2021</u>
Total comprehensive income (loss)	<u>\$ 13,205</u>	<u>(\$ 19,860)</u>

(7) Property, plant and equipment

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

	2022						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,898,992	\$ 4,895,812	\$ 7,436,663	\$ 26,507,703	\$ 21,860,526	\$ 11,730,544	\$ 75,330,240
Accumulated depreciation and impairment	(3,932)	(2,639,507)	(5,105,244)	(16,235,491)	(14,115,679)	(8,089,537)	(46,189,390)
	<u>\$ 2,895,060</u>	<u>\$ 2,256,305</u>	<u>\$ 2,331,419</u>	<u>\$ 10,272,212</u>	<u>\$ 7,744,847</u>	<u>\$ 3,641,007</u>	<u>\$ 29,140,850</u>
Opening net book amount as of January 1	\$ 2,895,060	\$ 2,256,305	\$ 2,331,419	\$ 10,272,212	\$ 7,744,847	\$ 3,641,007	\$ 29,140,850
Additions	674,021	1,638	46,947	1,784,474	1,518,264	984,478	5,009,822
Disposals	-	-	(4,467)	(38,682)	(42,269)	(860)	(86,278)
Transfer	122,437	2,374	128,832	148,318	96,225	(470,283)	27,903
Depreciation charge	-	(84,367)	(268,878)	(1,503,105)	(1,118,628)	(591,238)	(3,566,216)
Net exchange differences	(89)	2,266	465	8,354	(2,092)	(8,131)	773
Closing net book amount as of June 30	<u>\$ 3,691,429</u>	<u>\$ 2,178,216</u>	<u>\$ 2,234,318</u>	<u>\$ 10,671,571</u>	<u>\$ 8,196,347</u>	<u>\$ 3,554,973</u>	<u>\$ 30,526,854</u>
At June 30							
Cost	\$ 3,695,361	\$ 4,902,636	\$ 7,495,777	\$ 27,519,940	\$ 22,900,762	\$ 12,136,222	\$ 78,650,698
Accumulated depreciation and impairment	(3,932)	(2,724,420)	(5,261,459)	(16,848,369)	(14,704,415)	(8,581,249)	(48,123,844)
	<u>\$ 3,691,429</u>	<u>\$ 2,178,216</u>	<u>\$ 2,234,318</u>	<u>\$ 10,671,571</u>	<u>\$ 8,196,347</u>	<u>\$ 3,554,973</u>	<u>\$ 30,526,854</u>

	2021						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,927,827	\$ 4,891,097	\$ 6,993,321	\$ 24,307,493	\$ 20,386,864	\$ 11,989,504	\$ 71,496,106
Accumulated depreciation and impairment	(16,367)	(2,461,641)	(4,811,241)	(15,151,390)	(13,136,753)	(7,868,340)	(43,445,732)
	<u>\$ 2,911,460</u>	<u>\$ 2,429,456</u>	<u>\$ 2,182,080</u>	<u>\$ 9,156,103</u>	<u>\$ 7,250,111</u>	<u>\$ 4,121,164</u>	<u>\$ 28,050,374</u>
Opening net book amount as of January 1	\$ 2,911,460	\$ 2,429,456	\$ 2,182,080	\$ 9,156,103	\$ 7,250,111	\$ 4,121,164	\$ 28,050,374
Additions	-	15,123	87,801	1,539,483	1,159,478	726,052	3,527,937
Acquired through business combinations	-	-	-	1,644	-	-	1,644
Disposals	(4,200)	(3,735)	(6,775)	(15,634)	(59,489)	(12,647)	(102,480)
Transfer	-	3,203	140,172	150,174	47,388	(369,848)	(28,911)
Depreciation charge	-	(96,398)	(248,849)	(1,362,718)	(1,080,240)	(680,387)	(3,468,592)
Net exchange differences	(883)	(2,152)	(1,124)	(5,383)	(39,142)	(89,961)	(138,645)
Closing net book amount as of June 30	<u>\$ 2,906,377</u>	<u>\$ 2,345,497</u>	<u>\$ 2,153,305</u>	<u>\$ 9,463,669</u>	<u>\$ 7,278,106</u>	<u>\$ 3,694,373</u>	<u>\$ 27,841,327</u>
At June 30							
Cost	\$ 2,922,743	\$ 4,896,819	\$ 7,055,813	\$ 25,196,376	\$ 20,997,542	\$ 11,926,000	\$ 72,995,293
Accumulated depreciation and impairment	(16,366)	(2,551,322)	(4,902,508)	(15,732,707)	(13,719,436)	(8,231,627)	(45,153,966)
	<u>\$ 2,906,377</u>	<u>\$ 2,345,497</u>	<u>\$ 2,153,305</u>	<u>\$ 9,463,669</u>	<u>\$ 7,278,106</u>	<u>\$ 3,694,373</u>	<u>\$ 27,841,327</u>

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

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

(8) Leasing arrangements — lessee

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

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,068,685	\$ 872,178	\$ 858,658
Buildings	80,282,509	76,378,170	74,629,575
Machinery and equipment	8,778	13,168	23,158
Other equipment	35,665	53,498	67,901
	<u>\$ 81,395,637</u>	<u>\$ 77,317,014</u>	<u>\$ 75,579,292</u>

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 41,151	\$ 35,957
Buildings	3,455,217	3,284,557
Machinery and equipment	1,996	5,222
Other equipment	8,918	9,222
	<u>\$ 3,507,282</u>	<u>\$ 3,334,958</u>

	<u>Six months ended June 30, 2022</u>	<u>Six months ended June 30, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 79,631	\$ 71,727
Buildings	6,859,751	6,503,320
Machinery and equipment	4,390	11,372
Other equipment	17,833	18,929
	<u>\$ 6,961,605</u>	<u>\$ 6,605,348</u>

C. For the three months and six months ended June 30, 2022 and 2021, the additions to right-of-use assets were \$5,741,261, \$4,556,845, \$12,183,792 and \$9,023,283, respectively.

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

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 253,053	\$ 266,435
Expense on short-term lease contracts	111,336	79,718
Expense on leases of low-value assets	34,002	28,194
Expense on variable lease payments	111,651	81,794
Gain on sublease of right-of-use assets	133,703	127,970
Gain from lease modification	31,277	25,305

	Six months ended June 30, 2022	Six months ended June 30, 2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 503,142	\$ 540,452
Expense on short-term lease contracts	232,122	174,715
Expense on leases of low-value assets	68,099	59,751
Expense on variable lease payments	257,671	231,473
Gain on sublease of right-of-use assets	272,814	269,974
Gain from lease modification	76,280	52,055

E. For the six months ended June 30, 2022 and 2021, the Group's total cash outflow for leases was \$7,739,506 and \$7,209,581, respectively.

F. Variable lease payments

- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or department store counter. For the above-mentioned stores, approximately 3.21% and 3.04% as at June 30, 2022 and 2021, respectively, are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.
- (b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$2,577 and \$2,315 for the six months ended June 30, 2022 and 2021, respectively.
- G. The Group's leases not yet commenced to which the lessee is committed are business premises for the lessees, and the lease liabilities undiscounted as at June 30, 2022, December 31, 2021 and June 30, 2021, amounted to \$3,482,304, \$3,635,849 and \$3,554,189, respectively.
- H. The Group has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$51,209, \$20,495, \$86,200 and \$37,601, as at other income for the three months and six months ended June 30, 2022 and 2021, respectively.

(9) Leasing arrangements – lessor

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

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

	Three months ended June 30, 2022	Three months ended June 30, 2021
Rental revenue	\$ 332,870	\$ 305,667
Rental revenue from variable lease payments	\$ 242,301	\$ 212,831
	Six months ended June 30, 2022	Six months ended June 30, 2021
Rental revenue	\$ 710,585	\$ 688,373
Rental revenue from variable lease payments	\$ 531,251	\$ 501,862

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

	June 30, 2022	December 31, 2021	June 30, 2021
Current year	\$ 126,046	\$ -	\$ 119,596
Within 1 year	195,165	251,736	228,633
1~2 years	108,322	171,188	171,697
2~3 years	90,005	87,998	84,083
3~4 years	66,965	71,486	67,742
4~5 years	54,673	51,267	46,881
Over 5 years	101,980	107,555	95,657
	<u>\$ 743,156</u>	<u>\$ 741,230</u>	<u>\$ 814,289</u>

(10) Investment property

2022				
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,400,611	\$ 431,642	\$ 1,247,166	\$ 3,079,419
Disposals	(7,207)	(1,219)	-	(8,426)
Transfer	(22,414)	(2,374)	-	(24,788)
Depreciation charge	-	(8,237)	(69,287)	(77,524)
At June 30	<u>\$ 1,370,990</u>	<u>\$ 419,812</u>	<u>\$ 1,177,879</u>	<u>\$ 2,968,681</u>
2021				
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,074,308	\$ 403,098	\$ 1,385,740	\$ 2,863,146
Additions	137,520	22,635	-	160,155
Disposals	(9,119)	(6,887)	-	(16,006)
Depreciation charge	-	(7,899)	(69,287)	(77,186)
At June 30	<u>\$ 1,202,709</u>	<u>\$ 410,947</u>	<u>\$ 1,316,453</u>	<u>\$ 2,930,109</u>

A. The fair value of the investment property held by the Group ranged from \$5,464,265 to \$5,838,730 as at June 30, 2022, December 31, 2021 and June 30, 2021, 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 comparison approach and income approach which is categorized within level 3 in the fair value hierarchy. Key assumptions are discount rates between 0.8% to 2.41% and growth rate of 3%.

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

(11) Intangible assets

	2022				
	Software	Goodwill	License agreement and customer list	Others	Total
At January 1					
Cost	\$2,325,904	\$2,198,674	\$ 7,524,890	\$565,251	\$12,614,719
Accumulated amortization and impairment	(1,784,233)	-	(776,637)	(239,909)	(2,800,779)
	<u>\$ 541,671</u>	<u>\$2,198,674</u>	<u>\$ 6,748,253</u>	<u>\$325,342</u>	<u>\$ 9,813,940</u>
Opening net book amount as of January 1	\$ 541,671	\$2,198,674	\$ 6,748,253	\$325,342	\$ 9,813,940
Additions	177,121	-	-	1,427	178,548
Transfer	4,103	-	-	-	4,103
Amortization expense	(145,706)	-	(97,080)	(27,823)	(270,609)
Net exchange differences	<u>418</u>	<u>3,771</u>	<u>-</u>	<u>-</u>	<u>4,189</u>
Closing net book amount as of June 30	<u>\$ 577,607</u>	<u>\$2,202,445</u>	<u>\$ 6,651,173</u>	<u>\$298,946</u>	<u>\$ 9,730,171</u>
At June 30					
Cost	\$2,498,916	\$2,202,445	\$ 7,524,890	\$566,188	\$12,792,439
Accumulated amortization and impairment	(1,921,309)	-	(873,717)	(267,242)	(3,062,268)
	<u>\$ 577,607</u>	<u>\$2,202,445</u>	<u>\$ 6,651,173</u>	<u>\$298,946</u>	<u>\$ 9,730,171</u>

	2021				
	License agreement and				
	Software	Goodwill	customer list	Others	Total
At January 1					
Cost	\$2,038,224	\$2,200,153	\$ 7,524,890	\$540,225	\$12,303,492
Accumulated amortization and impairment	(1,576,683)	-	(582,478)	(186,133)	(2,345,294)
	<u>\$ 461,541</u>	<u>\$2,200,153</u>	<u>\$ 6,942,412</u>	<u>\$354,092</u>	<u>\$ 9,958,198</u>
Opening net book amount as of January 1	\$ 461,541	\$2,200,153	\$ 6,942,412	\$354,092	\$ 9,958,198
Additions	80,946	-	-	867	81,813
Acquired through business combinations	3,792	-	-	-	3,792
Transfer	3,817	-	-	(1,572)	2,245
Amortization expense	(108,637)	-	(97,080)	(26,798)	(232,515)
Net exchange differences	(2,639)	(1,146)	-	-	(3,785)
Closing net book amount as of June 30	<u>\$ 438,820</u>	<u>\$2,199,007</u>	<u>\$ 6,845,332</u>	<u>\$326,589</u>	<u>\$ 9,809,748</u>
At June 30					
Cost	\$2,103,056	\$2,199,007	\$ 7,524,890	\$538,541	\$12,365,494
Accumulated amortization and impairment	(1,664,236)	-	(679,558)	(211,952)	(2,555,746)
	<u>\$ 438,820</u>	<u>\$2,199,007</u>	<u>\$ 6,845,332</u>	<u>\$326,589</u>	<u>\$ 9,809,748</u>

Amortization expense on intangible assets are recognized as operating expenses.

(12) Other non-current assets

	June 30, 2022	December 31, 2021	June 30, 2021
Guarantee deposits paid	\$ 3,284,238	\$ 3,204,856	\$ 3,142,683
Others	636,250	589,106	605,171
	<u>\$ 3,920,488</u>	<u>\$ 3,793,962</u>	<u>\$ 3,747,854</u>

(13) Impairment of non-financial assets

- A. There were neither impairment loss nor reversal of impairment loss recognized for the six months ended June 30, 2022 and 2021.
- B. The Group performs impairment testing annually. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount calculated using the value-in-use exceeded their carrying amount for the quarter ended December 31, 2021, so goodwill was not impaired. The key assumptions used for value-in-use calculations is provided in Note 6(13) in the consolidated financial statements for the year ended December 31, 2021.

(14) Short-term borrowings

Type of borrowings	June 30, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 4,006,725	0.675%~3.465%	None
Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 5,095,702	0.38%~3.465%	None
Type of borrowings	June 30, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 6,089,079	0.35%~4.875%	None

There was no capitalization of borrowing costs for the six months ended June 30, 2022 and 2021. Relevant interest expense on borrowings is recognized as “finance costs”.

(15) Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Store collections	\$ 14,318,259	\$ 13,807,553	\$ 12,199,752
Dividend payable	10,706,206	-	10,653,529
Wages, salaries and bonus payable	4,767,121	4,863,210	4,707,194
Sales receipt on behalf of others	1,484,303	1,845,686	1,454,374
Incentive bonus payable to franchisees	1,215,307	1,017,454	881,510
Payables for acquisition of property, plant and equipment	1,151,633	1,385,972	758,612
Employees' compensation and remuneration for directors and supervisors	404,734	748,684	380,416
Payables for labor and health insurance	280,485	283,912	270,209
Rent payable	81,399	82,287	68,253
Others	4,410,981	4,851,027	4,203,925
	<u>\$ 38,820,428</u>	<u>\$ 28,885,785</u>	<u>\$ 35,577,774</u>

(16) Other current liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Advance receipts of deposits	\$ 1,697,031	\$ 1,685,635	\$ 1,649,655
Advance receipts for gift certificates	1,479,648	1,476,380	1,466,056
Others	320,760	407,958	367,259
	<u>\$ 3,497,439</u>	<u>\$ 3,569,973</u>	<u>\$ 3,482,970</u>

(17) Long-term borrowings

Type of borrowings	Interest rate range	Collateral	June 30, 2022
Long-term bank borrowings			
Credit loan	3.875%~4.40%	None	\$ 470,781
Secured borrowings	1.56%~1.85%	Property, plant and equipment	610,321
			1,081,102
Less: Current portion			(380,821)
			\$ 700,281

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

Type of borrowings	Interest rate range	Collateral	June 30, 2021
Long-term bank borrowings			
Credit loan	3.875%~5.30%	None	\$ 977,518
Secured borrowings	1.46%~1.72%	Property, plant and equipment	538,416
			1,515,934
Less: Current portion			(397,315)
			\$ 1,118,619

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

(18) Pensions

- A. The Company and its domestic subsidiaries operate a defined benefit pension plan, in accordance with the Labor Standards Law, which covers all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~8% of employees’ monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March. Furthermore, the subsidiary, Philippine Seven Corporation has a defined benefit pension plan.

For the aforementioned pension plan, the Group recognized pension costs of \$28,575, \$28,699, \$56,823 and \$58,076 for the three months and six months ended June 30, 2022 and 2021, respectively.

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

(a) The Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the six months ended June 30, 2022 and 2021 were 14%~20%. Other than the monthly contributions, the Group has no further obligations.

(b) The pension costs under the defined contribution pension plans of the Group for the three months and six months ended June 30, 2022 and 2021 were \$252,706, \$253,229, \$512,619 and \$500,138, respectively.

(19) Other non-current liabilities

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Guarantee deposit received	\$ 4,186,459	\$ 4,044,359	\$ 3,895,119
Provision for decommissioning liability	676,758	644,347	613,995
Others	475,762	482,446	494,734
	<u>\$ 5,338,979</u>	<u>\$ 5,171,152</u>	<u>\$ 5,003,848</u>

(20) Share capital

As of June 30, 2022, the Company’s authorized capital was \$10,500,000, consisting of 1,050,000 thousand shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company’s outstanding ordinary shares was both 1,039,622,255 as of June 30, 2022 and January 1, 2022.

(21) Capital surplus

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

(22) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, must first be used to pay all taxes and offset prior years’ operating losses, then 10% of the remaining amount is to be set aside as a legal reserve. The Company may then set aside or reserve a certain amount as special reverse according to the relevant regulations. The appropriation of the remaining earnings and prior years’ unappropriated retained earnings should be proposed by the Board of Directors and voted on by the shareholders at the shareholders’ meeting. The dividends and bonus

to be distributed to shareholders may be 50%~100% of the total distributable amount, and 50%~100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2021 and 2020 were resolved by the shareholders on May 26, 2022 and July 16, 2021, respectively, as follows:

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

(23) Other equity items

	2022		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 2,776,895)	\$ 855,380	(\$ 1,921,515)
Revaluation and transfer			
– Group	-	(214,057)	(214,057)
– Associates	-	1,108	1,108
Revaluation-tax	-	2,672	2,672
Currency translation differences:			
– Group	1,406,455	-	1,406,455
– Associates	7,714	-	7,714
At June 30	(\$ 1,362,726)	\$ 645,103	(\$ 717,623)

	2021		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)
Revaluation and transfer			
– Group	-	279,035	279,035
– Associates	-	2,630	2,630
Revaluation-tax	-	9,299	9,299
Currency translation differences:			
– Group	(558,210)	-	(558,210)
– Associates	(2,357)	-	(2,357)
At June 30	(\$ 2,533,835)	\$ 931,611	(\$ 1,602,224)

(24) Operating revenue

	Three months ended June 30, 2022	Three months ended June 30, 2021
Revenue from contracts with customers	\$ 71,130,619	\$ 63,593,394
	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenue from contracts with customers	\$ 138,797,789	\$ 128,646,597

A. Disaggregation of revenue from contracts with customers

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

Three months ended June 30, 2022	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 44,252,034	\$ 17,534,665	\$ 2,899	\$ 4,889,154	\$ 66,678,752
– Over time	212,930	3,511,167	565,546	162,224	4,451,867
	<u>\$ 44,464,964</u>	<u>\$ 21,045,832</u>	<u>\$ 568,445</u>	<u>\$ 5,051,378</u>	<u>\$ 71,130,619</u>
Three months ended June 30, 2021	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 41,048,173	\$ 13,648,180	\$ 3,636	\$ 4,196,528	\$ 58,896,517
– Over time	201,357	3,726,342	516,687	252,491	4,696,877
	<u>\$ 41,249,530</u>	<u>\$ 17,374,522</u>	<u>\$ 520,323</u>	<u>\$ 4,449,019</u>	<u>\$ 63,593,394</u>

Six months ended June 30, 2022	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 86,388,615	\$ 33,059,868	\$ 6,051	\$ 10,427,339	\$ 129,881,873
– Over time	433,742	6,961,858	1,130,833	389,483	8,915,916
	<u>\$ 86,822,357</u>	<u>\$ 40,021,726</u>	<u>\$ 1,136,884</u>	<u>\$ 10,816,822</u>	<u>\$ 138,797,789</u>
Six months ended June 30, 2021	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 82,359,111	\$ 27,854,956	\$ 6,468	\$ 9,291,223	\$ 119,511,758
– Over time	417,865	7,181,567	1,042,978	492,429	9,134,839
	<u>\$ 82,776,976</u>	<u>\$ 35,036,523</u>	<u>\$ 1,049,446</u>	<u>\$ 9,783,652</u>	<u>\$ 128,646,597</u>

B. Contract liabilities

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

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Contract liabilities – advance receipts of gift certificates and gift payments	\$ 4,510,184	\$ 4,599,304	\$ 4,106,002	\$ 3,430,999
Contract liabilities – customer loyalty programs	1,184,061	977,909	961,744	807,168
Contract liabilities – members' deposits	862,040	843,002	821,630	804,373
Contract liabilities – franchise fee	493,291	405,485	406,647	429,578
Contract liabilities – others	298,651	364,047	393,859	326,513
	<u>\$ 7,348,227</u>	<u>\$ 7,189,747</u>	<u>\$ 6,689,882</u>	<u>\$ 5,798,631</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$4,741,708 and \$3,479,745 for the six months ended June 30, 2022 and 2021, respectively.

(25) Expenses by nature

	Three months ended June 30, 2022	Three months ended June 30, 2021
Net cost of goods sold	\$ 42,368,309	\$ 37,314,892
Employee benefit expenses	6,952,464	6,574,493
Incentive bonuses for franchisees	5,997,566	5,532,115
Depreciation and amortization	5,468,669	5,213,393
Utilities expenses	1,186,005	1,091,665
Operating lease payments	256,989	189,706
Other costs and expenses	5,910,003	5,598,012
Total operating costs and operating expenses	<u>\$ 68,140,005</u>	<u>\$ 61,514,276</u>

	Six months ended June 30, 2022	Six months ended June 30, 2021
Net cost of goods sold	\$ 82,151,770	\$ 75,375,296
Employee benefit expenses	13,699,426	13,294,539
Incentive bonuses for franchisees	11,526,560	10,834,142
Depreciation and amortization	10,853,292	10,358,016
Utilities expenses	2,278,468	2,066,003
Operating lease payments	557,892	465,939
Other costs and expenses	11,633,530	11,015,946
Total operating costs and operating expenses	<u>\$ 132,700,938</u>	<u>\$ 123,409,881</u>

(26) Employee benefit expense

	Three months ended June 30, 2022	Three months ended June 30, 2021
Wages and salaries	\$ 5,715,861	\$ 5,357,847
Labor and health insurance fees	541,595	553,431
Pension costs	281,281	281,928
Other personnel expenses	413,727	381,287
	<u>\$ 6,952,464</u>	<u>\$ 6,574,493</u>

	Six months ended June 30, 2022	Six months ended June 30, 2021
Wages and salaries	\$ 11,234,895	\$ 10,883,031
Labor and health insurance fees	1,102,003	1,102,990
Pension costs	569,442	558,214
Other personnel expenses	793,086	750,304
	<u>\$ 13,699,426</u>	<u>\$ 13,294,539</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 three months and six months ended June 30, 2022 and 2021, employees' compensation was accrued at \$128,632, \$95,022, \$245,816 and \$229,445, respectively; while directors' and supervisors' remuneration was accrued at \$42,975, \$31,747, \$82,126 and \$76,657, respectively. The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46% of distributable profit of the current period for the six months ended June 30, 2022, respectively.

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

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

(27) Interest income

	Three months ended June 30, 2022	Three months ended June 30, 2021
Interest income	\$ 60,430	\$ 52,247
	Six months ended June 30, 2022	Six months ended June 30, 2021
Interest income	\$ 97,213	\$ 106,666

(28) Other income

	Three months ended June 30, 2022	Three months ended June 30, 2021
Grants income	\$ 168,025	\$ 228,712
Rental revenue	69,382	72,800
Dividend income	118,432	2,815
Others	292,304	225,962
	\$ 648,143	\$ 530,289
	Six months ended June 30, 2022	Six months ended June 30, 2021
Grants income	\$ 344,809	\$ 418,431
Rental revenue	137,744	142,912
Dividend income	118,432	2,815
Others	516,555	382,261
	\$ 1,117,540	\$ 946,419

(29) Other gains and losses

	Three months ended June 30, 2022	Three months ended June 30, 2021
Gain from lease modification	\$ 31,277	\$ 25,305
Gain on disposal of investment property	29,507	22,549
(Loss) gain on disposal of property, plant and equipment	(19,917)	7,489
Depreciation of investment property	(38,759)	(38,590)
Other gains and losses	(24,131)	(48,156)
	(\$ 22,023)	(\$ 31,403)
	Six months ended June 30, 2022	Six months ended June 30, 2021
Gain from lease modification	\$ 76,280	\$ 52,055
Gain on disposal of investment property	29,507	22,549
(Loss) gain on disposal of property, plant and equipment	(51,738)	12,680
Depreciation of investment property	(77,524)	(77,186)
Other gains and losses	(51,007)	(57,111)
	(\$ 74,482)	(\$ 47,013)

(30) Finance costs

	Three months ended June 30, 2022	Three months ended June 30, 2021
Interest expense on lease liabilities	\$ 253,053	\$ 266,435
Financial expense, others	34,931	41,374
	<u>\$ 287,984</u>	<u>\$ 307,809</u>
	Six months ended June 30, 2022	Six months ended June 30, 2021
Interest expense on lease liabilities	\$ 503,142	\$ 540,452
Financial expense, others	65,603	74,228
	<u>\$ 568,745</u>	<u>\$ 614,680</u>

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30, 2022	Three months ended June 30, 2021
Current tax:		
Current tax on profit for the period	\$ 775,137	\$ 584,636
(Over) under provision of prior year's income tax	(22,706)	1,409
Total current tax	<u>752,431</u>	<u>586,045</u>
Deferred tax:		
Origination and reversal of temporary differences	(38,301)	(103,568)
Income tax expense	<u>\$ 714,130</u>	<u>\$ 482,477</u>
	Six months ended June 30, 2022	Six months ended June 30, 2021
Current tax:		
Current tax on profit for the period	\$ 1,470,821	\$ 1,303,099
(Over) under provision of prior year's income tax	(22,706)	559
Total current tax	<u>1,448,115</u>	<u>1,303,658</u>
Deferred tax:		
Origination and reversal of temporary differences	(40,405)	(390,818)
Income tax expense	<u>\$ 1,407,710</u>	<u>\$ 912,840</u>

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

	Three months ended June 30, 2022	Three months ended June 30, 2021
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 101)	(\$ 4,732)
	Six months ended June 30, 2022	Six months ended June 30, 2021
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 2,672)	(\$ 9,299)

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

(32) Earnings per share

	Three months ended June 30, 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 parent	\$ 2,451,874	1,039,622	\$ 2.36
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 2,451,874	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	472	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,451,874	1,040,094	\$ 2.36

Three months ended June 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 1,768,408	1,039,622	\$ 1.70
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 1,768,408	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	361	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,768,408	1,039,983	\$ 1.70
Six months ended June 30, 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 parent	\$ 4,622,300	1,039,622	\$ 4.45
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 4,622,300	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,481	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,622,300	1,041,103	\$ 4.44

	Six months ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 4,478,010	1,039,622	\$ 4.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of parent	\$ 4,478,010	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,549	
Shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,478,010	1,041,171	\$ 4.30

(33) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

In February, 2021, the Group acquired an additional 1.64% shares of the subsidiary, Philippine Seven Corp., for a cash consideration of \$721,798. The carrying amount of non-controlling interest in Philippine Seven Corp. was \$71,405 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$71,405. The effect of changes in interests in Philippine Seven Corp. on the equity attributable to owners of parent for the six months ended June 30, 2021 is as follows:

	Six months ended June 30, 2021
Carrying amount of non-controlling interest acquired	\$ 71,405
Consideration paid to non-controlling interest	(721,798)
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount (Decrease in "Retained earnings")	(\$ 650,393)

B. The Group did not conduct any transaction with non-controlling interest for the six months ended June 30, 2022.

(34) Supplemental cash flow information

A. Investing activities with partial cash payments

	Six months ended June 30, 2022	Six months ended June 30, 2021
Purchase of property, plant and equipment	\$ 5,009,822	\$ 3,527,937
Add: Opening balance of payable on equipment	1,385,972	1,355,119
Less: Ending balance of payable on equipment	(1,151,633)	(758,612)
Cash paid during the period	<u>\$ 5,244,161</u>	<u>\$ 4,124,444</u>

B. Declared cash dividends

	Six months ended June 30, 2022	Six months ended June 30, 2021
Unpaid cash dividends – the Company	\$ 9,356,600	\$ 9,356,600
Unpaid cash dividends – subsidiary	<u>1,349,606</u>	<u>1,296,929</u>
	<u>\$ 10,706,206</u>	<u>\$ 10,653,529</u>

(35) Changes in liabilities from financing activities

	2022							
	Short-term borrowings	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities	
At January 1	\$ 5,095,702	\$ -	\$ 963,418	\$ 81,037,630	\$ 4,044,359	\$ 1,126,793	\$ 92,267,902	
Changes in cash flow from financing activities	(1,089,078)	-	(413,401)	(6,678,472)	142,584	(6,684)	(8,045,051)	
Interest paid (Note)	-	-	-	(503,142)	-	-	(503,142)	
Impact of changes in foreign exchange rate	101	-	(2,081)	19,944	(484)	-	17,480	
Changes in other non-cash items	-	10,706,206	152,345	11,236,179	-	32,411	22,127,141	
At June 30	<u>\$ 4,006,725</u>	<u>\$10,706,206</u>	<u>\$ 700,281</u>	<u>\$ 85,112,139</u>	<u>\$ 4,186,459</u>	<u>\$ 1,152,520</u>	<u>\$ 105,864,330</u>	
	2021							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 4,739,411	\$ 3,399,147	\$ -	\$ 1,028,553	\$78,137,016	\$ 3,784,654	\$ 871,619	\$ 91,960,400
Changes in cash flow from financing activities	1,344,668	(3,399,147)	-	225,369	(6,203,190)	110,414	199,521	(7,722,365)
Interest paid (Note)	-	-	-	-	(540,452)	-	-	(540,452)
Impact of changes in foreign exchange rate	-	-	-	(24,204)	(225,441)	-	-	(249,645)
Changes in other non-cash items	5,000	-	10,653,529	(111,099)	7,960,045	51	37,589	18,545,115
At June 30	<u>\$ 6,089,079</u>	<u>\$ -</u>	<u>\$10,653,529</u>	<u>\$ 1,118,619</u>	<u>\$79,127,978</u>	<u>\$ 3,895,119</u>	<u>\$ 1,108,729</u>	<u>\$ 101,993,053</u>

Note: Presented in cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's parent company and the Group's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of June 30, 2022.

(2) Names of related parties and relationship

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

(3) Significant related party transactions and balances

A. Operating revenue

	Three months ended June 30, 2022	Three months ended June 30, 2021
<u>Sales of goods</u>		
Ultimate parent company	\$ 147,408	\$ 139,005
Associates	51,987	32,909
Sister companies	102,124	98,388
Other related parties	22,746	15,739
<u>Sales of services</u>		
Ultimate parent company	4,010	4,457
Associates	32,349	25,002
Sister companies	6,857	4,305
Other related parties	863	1,791
	<u>\$ 368,344</u>	<u>\$ 321,596</u>
	Six months ended June 30, 2022	Six months ended June 30, 2021
<u>Sales of goods</u>		
Ultimate parent company	\$ 298,188	\$ 290,378
Associates	90,564	67,641
Sister companies	207,805	196,305
Other related parties	37,424	29,675
<u>Sales of services</u>		
Ultimate parent company	9,395	9,330
Associates	56,467	43,994
Sister companies	11,167	8,764
Other related parties	1,965	3,187
	<u>\$ 712,975</u>	<u>\$ 649,274</u>

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

B. Purchases

	Three months ended June 30, 2022	Three months ended June 30, 2021
Ultimate parent company	\$ 4,405,291	\$ 4,109,319
Associates	155,630	62,986
Sister companies	1,683,689	1,447,547
Other related parties	572,507	459,929
	<u>\$ 6,817,117</u>	<u>\$ 6,079,781</u>

	Six months ended June 30, 2022	Six months ended June 30, 2021
Ultimate parent company	\$ 8,660,756	\$ 8,320,894
Associates	289,721	129,832
Sister companies	3,259,931	2,824,572
Other related parties	1,136,704	958,284
	<u>\$ 13,347,112</u>	<u>\$ 12,233,582</u>

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

C. Receivables from related parties

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Accounts receivable</u>			
Ultimate parent company	\$ 155,690	\$ 235,402	\$ 166,611
Associates	64,449	75,122	50,724
Sister companies	68,770	103,812	53,390
Other related parties	4,126	4,065	3,641
	<u>\$ 293,035</u>	<u>\$ 418,401</u>	<u>\$ 274,366</u>

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

D. Payables to related parties

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes payable and accounts payable</u>			
Ultimate parent company	\$ 1,971,466	\$ 1,904,475	\$ 1,600,846
Associates	70,032	191,718	30,356
Sister companies	859,585	722,538	648,432
Other related parties	348,621	358,245	264,641
	<u>\$ 3,249,704</u>	<u>\$ 3,176,976</u>	<u>\$ 2,544,275</u>

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

E. Leasing arrangements — lessee

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

(b) Acquisition of right-of-use assets

	Six months ended June 30, 2022	Six months ended June 30, 2021
Ultimate parent company	\$ 105,527	\$ 73,635
Sister companies	44,390	-
	<u>\$ 149,917</u>	<u>\$ 73,635</u>

(c) Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Ultimate parent company	\$ 161,112	\$ 89,503	\$ 107,715
Associates	3,073,319	3,267,710	3,469,432
Sister companies	221,163	204,633	228,424
Other related parties	470,853	488,239	499,744
	<u>\$ 3,926,447</u>	<u>\$ 4,050,085</u>	<u>\$ 4,305,315</u>

F. Property transactions

	Accounts	Three months ended June 30, 2022	Three months ended June 30, 2021
Associates	Intangible assets	\$ 53,999	\$ 19,775
Sister companies	"	1,600	-
		<u>\$ 55,599</u>	<u>\$ 19,775</u>
	Accounts	Six months ended June 30, 2022	Six months ended June 30, 2021
Associates	Intangible assets	\$ 53,999	\$ 21,350
Sister companies	"	1,600	-
		<u>\$ 55,599</u>	<u>\$ 21,350</u>

(4) Key management compensation

	Three months ended June 30, 2022	Three months ended June 30, 2021
Short-term employee benefits	<u>\$ 125,721</u>	<u>\$ 115,221</u>
	Six months ended June 30, 2022	Six months ended June 30, 2021
Short-term employee benefits	<u>\$ 259,177</u>	<u>\$ 267,743</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value			Purpose
	June 30, 2022	December 31, 2021	June 30, 2021	
Land	\$ 218,675	\$ 218,675	\$ 218,675	Guarantee facilities and performance guarantee
Buildings	26,395	29,561	26,109	Long-term borrowings and guarantee facilities
Transportation equipment	791,550	804,633	725,203	Long-term borrowings
Investment property	56,740	56,792	56,845	Performance guarantee
Pledged time deposits (Recognized as "Other non-current assets - guarantee deposits paid")	112,045	113,337	93,386	Performance guarantee
	<u>\$ 1,205,405</u>	<u>\$ 1,222,998</u>	<u>\$ 1,120,218</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of June 30, 2022, the Group purchased POS equipment from non-related parties to meet the needs of future business development. The unpaid amount was \$1,076,613.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The Company was authorized by the Board of Directors on July 19, 2022 to acquire of an additional 10.50% common shares of PresiCarre Corp. owned by Carrefour Nederland B.V. and Carrefour S.A. The estimated transaction price was \$5,075 million.

(2) As of July 27 and 28, 2022, the Group purchased land located at Biliu Sec., Beitun Dist., Taichung City and Taoyuan Aerotropolis Industry Area from non-related parties to meet the needs of business operation. The transaction prices were \$719,436 and \$6,000,000, respectively.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</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>\$ 1,232,960</u>	<u>\$ 745,635</u>	<u>\$ 1,854,467</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 951,852</u>	<u>\$ 1,165,909</u>	<u>\$ 1,238,862</u>
Financial assets at amortized cost			
Cash and cash equivalents	\$ 48,791,346	\$ 45,648,486	\$ 47,027,960
Accounts receivable, net	5,813,699	6,484,621	5,540,169
Other receivables	4,083,012	2,663,819	3,985,545
Other current assets (Note)	1,826,436	2,003,411	2,536,664
Guarantee deposits paid	3,807,462	3,204,856	3,142,683
Other non-current assets (Note)	33,127	32,519	31,606
	<u>\$ 64,355,082</u>	<u>\$ 60,037,712</u>	<u>\$ 62,264,627</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 4,006,725	\$ 5,095,702	\$ 6,089,079
Notes payable	1,024,326	2,027,808	1,326,019
Accounts payable (including related parties)	25,709,839	26,301,770	22,566,647
Other payables	38,820,428	28,885,785	35,577,774
Long-term borrowings (including current portion)	1,081,102	1,498,084	1,515,934
Guarantee deposits received	4,186,459	4,044,359	3,895,119
	<u>\$ 74,828,879</u>	<u>\$ 67,853,508</u>	<u>\$ 70,970,572</u>
Lease liabilities	<u>\$ 85,112,139</u>	<u>\$ 81,037,630</u>	<u>\$ 79,127,978</u>

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

B. Risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

(Foreign currency: functional currency)	June 30, 2022			December 31, 2021		
	Foreign currency		Book value (NTD)	Foreign currency		Book value (NTD)
	amount (In thousands)	Exchange rate		amount (In thousands)	Exchange rate	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 4,553	29.7200	\$ 135,315	\$ 1,347	27.6800	\$ 37,285
RMB : NTD	2,360	4.4363	10,470	2,797	4.3549	12,181
JPY : NTD	64,069	0.2182	13,980	32,411	0.2405	7,795
HKD : NTD	1,200	3.7878	4,545	1,028	3.5503	3,650
EUR : NTD	484	31.0500	15,028	165	31.3200	5,168
<u>Non-monetary items</u>						
JPY : NTD	\$ 867,600	0.2182	\$ 189,310	\$ 842,700	0.2405	\$ 202,669
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 4,628	29.7200	\$ 135,544	\$ 4,018	27.6800	\$ 111,218
RMB : NTD	2,152	4.4363	9,547	2,189	4.3549	9,533
JPY : NTD	191,931	0.2182	41,879	111,934	0.2405	26,920
				June 30, 2021		
(Foreign currency: functional currency)	Foreign currency		Book value (NTD)	Foreign currency		Book value (NTD)
	amount (In thousands)	Exchange rate		amount (In thousands)	Exchange rate	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 1,710	27.8600	\$ 47,641	\$ 1,710	27.8600	\$ 47,641
RMB : NTD	2,151	4.3146	9,281	2,151	4.3146	9,281
JPY : NTD	61,349	0.2521	15,466	61,349	0.2521	15,466
HKD : NTD	1,455	3.5878	5,220	1,455	3.5878	5,220
EUR : NTD	847	33.1500	28,078	847	33.1500	28,078
<u>Non-monetary items</u>						
JPY : NTD	\$ 760,200	0.2521	\$ 191,646	\$ 760,200	0.2521	\$ 191,646
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 4,195	27.8600	\$ 116,873	\$ 4,195	27.8600	\$ 116,873
RMB : NTD	2,182	4.3146	9,414	2,182	4.3146	9,414
JPY : NTD	105,741	0.2521	26,657	105,741	0.2521	26,657

- IV. Total exchange gain or loss, including realized and unrealized from significant foreign exchange variations on monetary items held by the Group amounted to (\$7,388), \$3,376, (\$11,324) and \$7,900 for the three months and six months ended June 30, 2022 and 2021, respectively.

V. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, accounts receivable and accounts payable denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's profit for the six months ended June 30, 2022 and 2021 would increase/decrease by \$111 and \$3,462, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash, financial assets at fair value through other comprehensive income – non-current and accounts payable denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Group's comprehensive income for the six months ended June 30, 2022 and 2021 would increase/decrease by \$8,071 and \$9,023, respectively.

Price risk

- I. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- II. The Group's investments in equity securities comprise shares and open-ended funds issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, and open-ended funds increase/decrease by 0.25%, with all other variables held constant, the post-tax profit for the six months ended June 30, 2022 and 2021 would have increased/decreased by \$7,143 and \$8,698, respectively, as a result of gains/losses on equity securities and open-ended funds classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$47,593 and \$61,943, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- I. The Group's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which are partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the six months ended June 30, 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and Philippine Peso.
- II. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the six months ended June 30, 2022 and 2021 would have decreased/increased by \$2,703 and \$3,790, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full of the contract cash flows of the accounts receivable based on the agreed terms.

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

	2022	2021
	Accounts receivable	Accounts receivable
At January 1	\$ 144,908	\$ 107,485
Provision for impairment	2,475	30,630
Write-offs	(1,698)	(7,189)
Effect of foreign exchange	(3,042)	(3,540)
At June 30	<u>\$ 142,643</u>	<u>\$ 127,386</u>

- VI. The Group has no written-off financial assets that are still under recourse procedures on June 30, 2022, December 31, 2021 and June 30, 2021.

(c) Liquidity risk

- I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- II. The Group invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Group held money market funds of \$1,147,480, \$660,155 and \$1,768,944 as at June 30, 2022, December 31, 2021 and June 30, 2021, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.
- III. The Group has undrawn borrowing facilities of \$21,045,338, \$17,260,589 and \$17,334,782 as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.
- IV. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for notes payable,

accounts payable and other payables, whose contractual undiscounted cash flows are about to book value, maturing within one-year, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
June 30, 2022				
Short-term borrowings	\$ 4,009,742	\$ -	\$ -	\$ -
Lease liabilities	14,902,533	14,990,070	13,295,431	49,477,286
Long-term borrowings (including current portion)	410,705	166,758	142,814	418,126

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
June 30, 2021				
Short-term borrowings	\$ 6,103,087	\$ -	\$ -	\$ -
Lease liabilities	14,926,938	14,434,454	12,654,183	44,633,580
Long-term borrowings (including current portion)	450,823	169,946	148,587	877,833

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

(3) Fair value information

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

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

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

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

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

C. Financial instruments not measured at fair value

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

June 30, 2022				
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 3,807,462	\$ -	\$ -	\$ 3,769,409
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 4,186,459	\$ -	\$ -	\$ 4,131,574
December 31, 2021				
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 3,204,856	\$ -	\$ -	\$ 3,189,820
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 4,044,359	\$ -	\$ -	\$ 4,021,979
June 30, 2021				
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 3,142,683	\$ -	\$ -	\$ 3,129,179
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 3,895,119	\$ -	\$ -	\$ 3,875,912

- (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:

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 1,147,480	\$ -	\$ -	\$ 1,147,480
Equity securities	-	-	85,480	85,480
	<u>1,147,480</u>	<u>-</u>	<u>85,480</u>	<u>1,232,960</u>
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	\$ 947,504	\$ -	\$ 4,348	\$ 951,852
	<u>\$ 2,094,984</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 2,184,812</u>

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

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Beneficiary certificates	\$ 1,768,944	\$ -	\$ -	\$ 1,768,944
Equity securities	-	-	85,523	85,523
	<u>1,768,944</u>	<u>-</u>	<u>85,523</u>	<u>1,854,467</u>
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	\$ 1,234,514	\$ -	\$ 4,348	\$ 1,238,862
	<u>\$ 3,003,458</u>	<u>\$ -</u>	<u>\$ 89,871</u>	<u>\$ 3,093,329</u>

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

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

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

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

- E. For the six months ended June 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. For the six months ended June 30, 2022 and 2021, there was no significant transfer in or out of Level 3.
- G. The Group is in charge of valuation procedures for fair value measurements being categorized within Level 3, which to verify the independent fair value of financial instruments. Such assessments are to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the information resources are independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighboring area.
- H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

	Fair value at June 30, 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	2.47	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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,828	Market comparable companies	Price to book ratio multiplier	2.47	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value
	Fair value at June 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,871	Market comparable companies	Price to book ratio multiplier	2.58	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurements. If valuation assumptions from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the six months ended June 30, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

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

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to Table 7.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

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

14. SEGMENT INFORMATION

(1) General information

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

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

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

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

(2) Measurement of segment information

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

(3) Segment information

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

	Six months ended June 30, 2022					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 86,822,357	\$ 40,021,726	\$ 1,136,884	\$ 10,816,822	\$ -	\$ 138,797,789
Internal department revenue	787,275	1,821,905	8,486,229	4,551,995	(15,647,404)	-
Total segment revenue	<u>\$ 87,609,632</u>	<u>\$ 41,843,631</u>	<u>\$ 9,623,113</u>	<u>\$ 15,368,817</u>	<u>(\$ 15,647,404)</u>	<u>\$ 138,797,789</u>
Segment income (loss)	<u>\$ 5,297,138</u>	<u>\$ 2,259,490</u>	<u>\$ 733,450</u>	<u>(\$ 108,140)</u>	<u>(\$ 1,309,294)</u>	<u>\$ 6,872,644</u>
	Six months ended June 30, 2021					
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 82,776,976	\$ 35,036,523	\$ 1,049,446	\$ 9,783,652	\$ -	\$ 128,646,597
Internal department revenue	559,693	1,481,203	7,769,629	4,144,875	(13,955,400)	-
Total segment revenue	<u>\$ 83,336,669</u>	<u>\$ 36,517,726</u>	<u>\$ 8,819,075</u>	<u>\$ 13,928,527</u>	<u>(\$ 13,955,400)</u>	<u>\$ 128,646,597</u>
Segment income (loss)	<u>\$ 4,944,349</u>	<u>\$ 1,310,437</u>	<u>\$ 732,441</u>	<u>(\$ 540,047)</u>	<u>(\$ 615,060)</u>	<u>\$ 5,832,120</u>

(4) Reconciliation of segment income (loss)

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Loans to others
Six months ended June 30, 2022

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 six months ended June 30, 2022	Balance at June 30, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 40,000	\$ 40,000	\$ 40,000	0.57%~0.69%	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 283,321	\$ 283,321	

Note: The maximum amount for total loan and the maximum amount of individual enterprise are 40% of ites 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)
June 30, 2022

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 June 30, 2022				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	758,194	2.79	758,194	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	189,310	0.60	189,310	
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: Union Money Market Fund	None	Financial assets at fair value through profit or loss—current	11,230,616	\$ 150,021	-	\$ 150,021	
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	3,503,500	48,003	-	48,003	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	1,124,669	19,003	-	19,003	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	6,307,191	94,672	-	94,672	
President Information Corp.	UPAMC James Bond Money Market Fund	"	"	10,532,098	177,958	-	177,958	
President Information Corp.	FSITC Taiwan Money Market Fund	"	"	4,517,149	70,000	-	70,000	
President Information Corp.	CTBC Hwa Win Money Market Fund	"	"	449,024	5,001	-	5,001	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,459,918	20,003	-	20,003	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	1,716,547	29,004	-	29,004	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	499,153	7,493	-	7,493	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	5,624,020	77,056	-	77,056	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	20,939,906	288,137	-	288,137	
Q-ware Systems & Services Corp.	Jih Sun Money Market Fund	"	"	6,670,580	100,129	-	100,129	
21 Century Co., Ltd.	FSITC Taiwan Money Market Fund	"	"	3,936,373	61,000	-	61,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital
Six months ended June 30, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2022		Addition		Disposal			Other increase (decrease)		Balance as at June 30, 2022		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
	Beneficiary certificates:															
Uni-President Department Store Corp.	Jih Sun Money Market Fund	Note 1	Not applicable	Not applicable	2,266,034	\$ 33,961	58,152,850	\$ 872,090	54,111,693	\$ 811,472	\$ 811,379	\$ 93	-	\$ -	6,307,191	\$ 94,672
President Information Corp.	FSITC Taiwan Money Market Fund	"	"	"	-	-	27,137,820	420,000	22,620,671	350,138	350,000	138	-	-	4,517,149	70,000
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	"	28,384,280	390,000	38,766,987	533,000	46,211,361	635,195	635,000	195	-	137	20,939,906	288,137
Books.com. Co., Ltd.	Union Money Market Fund	"	"	"	-	-	84,648,694	1,130,000	73,418,078	980,150	980,000	150	-	21	11,230,616	150,021
Books.com. Co., Ltd.	Yuanta Wan Tai Money Market Fund	"	"	"	-	-	21,589,606	330,000	21,589,606	330,038	330,000	38	-	-	-	-
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	474,208	8,001	18,181,486	307,000	17,531,025	296,034	295,999	35	-	1	1,124,669	19,003
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	97,486,064	1,335,000	97,486,064	1,335,144	1,335,000	144	-	-	-	-
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	4,986,489	68,208	35,416,877	484,800	34,779,346	476,067	475,964	103	-	12	5,624,020	77,056
	Stock:															
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Note 2	Issuance of common stock for cash	Parent company to subsidiary	-	\$ 293,362	-	\$ 354,902	-	\$ -	\$ -	\$ -	-	(\$ 175,367)	-	\$ 472,897

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
Six months ended June 30, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Six months ended June 30, 2022

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	\$ 8,214,451	14	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,503,100) (	8)
	Uni-President Superior Commissary Corp.	Subsidiary	"	2,109,356	4	Net 45 days from the end of the month when invoice is issued	"	"	(724,936) (	4)
	Tung Ang Enterprises Corp.	Sister company	"	1,076,581	2	Net 30 days from the end of the month when invoice is issued	"	"	(221,802) (	1)
	President Pharmaceutical Corp.	Subsidiary	"	489,546	1	Net 60~70 days from the end of the month when invoice is issued	"	"	(106,300) (	1)
	21 Century Co., Ltd.	"	"	460,968	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(155,625) (	1)
	Kai Ya Food Co., Ltd.	Sister company	"	372,870	1	Net 40 days from the end of the month when invoice is issued	"	"	(157,881) (	1)
	Lien Bo Corp.	"	"	334,231	1	Net 10~54 days from the end of the month when invoice is issued	"	"	(106,713) (	1)
	Q-ware Systems & Services Corp.	Subsidiary	"	331,209	1	Net 40 days from the end of the month when invoice is issued	"	"	(128,847) (	1)
	Tait Marketing & Distribution Co., Ltd.	Sister company	"	320,230	1	Net 20~70 days from the end of the month when invoice is issued	"	"	(130,370) (	1)
	President Transnet Corp.	Subsidiary	"	268,322	-	Net 60 days from the end of the month when invoice is issued	"	"	(89,337) (	1)
	President Packaging Industrial Corp.	Sister company	"	252,498	-	Net 15~60 days from the end of the month when invoice is issued	"	"	(89,638) (	1)
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	214,506	-	Net 30~65 days from the end of the month when invoice is issued	"	"	(116,698) (	1)
	Wei Lih Food Industrial Co., Ltd.	"	"	131,966	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(43,253) (-	
	ICASH Corp.	Subsidiary	"	105,947	-	Net 60 days from the end of the month when invoice is issued	"	"	(17,554) (-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(129,515) (	68)	Net 45~65 days from the end of the month when invoice is issued	"	"	56,658	71
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(340,156) (	30)	Net 40 days from the end of the month when invoice is issued	"	"	81,887	36
	President Logistics International Corp.	Parent company	"	(730,188) (	65)	Net 20 days from the end of the month when invoice is issued	"	"	138,077	61
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	340,156	7	Net 40 days from the end of the month when invoice is issued	"	"	(81,887) (	4)
	President Chain Store Corp.	Parent company	Sales revenue	(268,322) (	58)	Net 60 days from the end of the month when invoice is issued	"	"	89,337	5
	President Collect Service Corp.	Subsidiary of President Chain Store Corp.	Service revenue	(132,839) (	2)	Net 30 days from the end of the month when invoice is issued	"	"	26,296	2
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	239,301	9	Net 30 days from the end of the month when invoice is issued	"	"	(48,726) (	9)
	Tong Zhan Corporation Ltd.	Other related party	"	598,874	23	Net 25 days from the end of the month when invoice is issued	"	"	(124,645) (	23)
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	128,487	5	Net 29 days from the end of the month when invoice is issued	"	"	(23,453) (	4)
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(523,880) (	64)	Net 45 days from the end of the month when invoice is issued	"	"	166,923	51

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
Six months ended June 30, 2022

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 Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	\$ 730,188	38	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 138,077) (	37)	
	Retail Support International Corp.	Parent company	Delivery revenue	(449,873) (	22)	Net 20 days from the end of the month when invoice is issued	"	"	91,525	23	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	(633,462) (	31)	Net 20 days from the end of the month when invoice is issued	"	"	121,628	31	
	Wisdom Distribution Service Corp.	"	"	(842,138) (	42)	Net 20 days from the end of the month when invoice is issued	"	"	160,925	40	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	449,873	47	Net 20 days from the end of the month when invoice is issued	"	"	(91,525) (	49)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(128,487) (	8)	Net 29 days from the end of the month when invoice is issued	"	"	23,453	9	
	Retail Support Taiwan Corp.	Subsidiary	Service cost	154,661	16	Net 15~20 days from the end of the month when invoice is issued	"	"	(28,552) (	15)	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Subsidiary of President Chain Store Corp.	"	633,462	39	Net 20 days from the end of the month when invoice is issued	"	"	(121,628) (	2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	842,138	44	Net 20 days from the end of the month when invoice is issued	"	"	(160,925) (	38)	
	Books.com. Co., Ltd.	"	Service revenue	(155,340) (	7)	Net 30~90 days from the end of the month when invoice is issued	"	"	27,885	2	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	(331,209) (	40)	Net 40 days from the end of the month when invoice is issued	"	"	128,847	63	
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	274,926	5	Net 70 days from the end of the month when invoice is issued	"	"	(36,031) (	2)	
President Pharmaceutical Corp.	President Drugstore Business Corp.	"	Sales revenue	(274,926) (	23)	Net 70 days from the end of the month when invoice is issued	"	"	36,031	7	
	President Chain Store Corp.	Parent company	"	(489,546) (	40)	Net 60~70 days from the end of the month when invoice is issued	"	"	106,300	22	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	(2,109,356) (	97)	Net 45 days from the end of the month when invoice is issued	"	"	724,936	96	
	Koasa Yamako Corp.	Other related party	Purchases	123,768	8	Net 60 days from the end of the month when invoice is issued	"	"	(40,242) (	7)	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	Sales revenue	(460,968) (	51)	Net 30~60 days from the end of the month when invoice is issued	"	"	155,625	62	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	(126,304) (	16)	Net 15~60 days from the end of the month when invoice is issued	"	"	40,175	18	
Retail Support Taiwan Corp.	Retail Support International Corp.	"	Delivery revenue	(154,661) (	80)	Net 15~20 days from the end of the month when invoice is issued	"	"	28,552	78	
ICASH Corp.	President Chain Store Corp.	"	Sales revenue	(105,947) (	23)	Net 60 days from the end of the month when invoice is issued	"	"	17,554	14	
	President Chain Store Corp.	"	Service revenue	(117,253) (	26)	Net 60 days from the end of the month when invoice is issued	"	"	65,712	53	
President Collect Service Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Service cost	132,839	94	Net 30 days from the end of the month when invoice is issued	"	"	(26,296) (	100)	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
June 30, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of June 30, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	\$ 166,923	4.45	\$ -	None	\$ 49,201	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	724,936	5.87	-	"	353,856	-
Q-ware Systems & Services Corp.	President Chain Store Corp.	"	128,847	5.39	-	"	73,623	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	106,300	9.07	-	"	14,179	-
21 Century Co., Ltd.	President Chain Store Corp.	"	155,625	5.83	-	"	155,401	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	160,925	9.86	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	121,628	10.78	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	138,077	10.69	-	"	-	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2022

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	
1	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Other operating revenue	(\$ 254,481)	Net 20 days from the end of the month when invoice is issued	0.18
2	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(129,515)	Net 45~65 days from the end of the month when invoice is issued	0.09
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(523,880)	Net 45 days from the end of the month when invoice is issued	0.38
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	166,923	Net 45 days from the end of the month when invoice is issued	0.08
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(331,209)	Net 40 days from the end of the month when invoice is issued	0.24
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	128,847	Net 40 days from the end of the month when invoice is issued	0.06
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(2,109,356)	Net 45 days from the end of the month when invoice is issued	1.52
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	724,936	Net 45 days from the end of the month when invoice is issued	0.33
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(274,926)	Net 70 days from the end of the month when invoice is issued	0.20
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(489,546)	Net 60~70 days from the end of the month when invoice is issued	0.35
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	106,300	Net 60~70 days from the end of the month when invoice is issued	0.05
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(268,322)	Net 60 days from the end of the month when invoice is issued	0.19
7	President Transnet Corp.	President Collect Service Corp.	Subsidiary to subsidiary	Service revenue	(132,839)	Net 30 days from the end of the month when invoice is issued	0.10
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(730,188)	Net 20 days from the end of the month when invoice is issued	0.53
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	138,077	Net 20 days from the end of the month when invoice is issued	0.06
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(340,156)	Net 40 days from the end of the month when invoice is issued	0.25
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(449,873)	Net 20 days from the end of the month when invoice is issued	0.32
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(633,462)	Net 20 days from the end of the month when invoice is issued	0.46
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(842,138)	Net 20 days from the end of the month when invoice is issued	0.61
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	160,925	Net 20 days from the end of the month when invoice is issued	0.07
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	121,628	Net 20 days from the end of the month when invoice is issued	0.05
10	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(126,304)	Net 15~60 days from the end of the month when invoice is issued	0.09
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(460,968)	Net 30~60 days from the end of the month when invoice is issued	0.33
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	155,625	Net 30~60 days from the end of the month when invoice is issued	0.07
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(155,340)	Net 30~90 days from the end of the month when invoice is issued	0.11
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(154,661)	Net 15~20 days from the end of the month when invoice is issued	0.11
14	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(105,947)	Net 60 days from the end of the month when invoice is issued	0.08
14	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(117,253)	Net 60 days from the end of the month when invoice is issued	0.08

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2022

Table 7

							Expressed in thousands of NTD (Except as otherwise indicated)
Transaction							Percentage of consolidated total operating revenues or total assets
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	
15	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(128,487)	Net 29 days from the end of the month when invoice is issued	0.09

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2022			Net profit (loss) of the investee for the six months ended June 30, 2022	Investment income (loss) recognized by the Company for the six months ended June 30, 2022		Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value				
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 24,386,120	(\$ 99,196)	(\$ 99,196)		Subsidiary
President Chain Store Corp.	President Drugstore Business Corp.	Taiwan	Sales of cosmetics, medicines and daily items	288,559	288,559	78,520,000	100.00	1,615,229	156,311	156,311		Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	1,872,843	677,306	474,114		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	756,290	119,879	96,946		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	681,102	90,367	66,636		Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	409,809	50,439	35,307		Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	526,007	34,584	31,279		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	878,836	247,320	148,471		Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	468,050	43,927	37,777		Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	370,337	60,388	52,500		Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	10,847,421	100.00	720,781	177,725	177,725		Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	275,718	135,384	67,733		Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,847	(41)	(41)		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	180,913	104,732	53,413		Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	441,044	(29,572)	(29,572)		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	758,115	89,565	17,913		Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,709,972	257,180	107,588		Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	140,839	83,534	20,908		Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	4,935,986	830,796	141,841		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	2,142,046	97,653	18,554		Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	440,497	57,489	5,292		Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	56,438	(57,367)	(3,574)		Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	35,603	(11,225)	(12,033)		Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	67,924	24,734	24,704		Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	70,271	(64)	(59)		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	27,772	9,021	9,021		Subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2022				Net profit (loss) of the investee for the six months ended June 30, 2022	Investment income (loss) recognized by the Company for the six months ended June 30, 2022		Footnote
				Balance as at June 30, 2022	Balance as at December 31,2021	Number of shares	Ownership (%)	Book value					
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	\$ 170,000	\$ 170,000	12,244,390	100.00	\$ 27,777	\$ 235	\$ 235	Subsidiary		
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(125,726)	(24,896)	(24,896)	Subsidiary		
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	160,118	15,725	15,725	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	81,152	2,643	2,643	Subsidiary		
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	681,300	391,300	29,000,000	100.00	89,128	(52,251)	(52,251)	Subsidiary		
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	55,917	49,861	34,899	Subsidiary		
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	102,559	26,410	13,205	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	44,155	24,785	9,089	Note		
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	21,170	12,983	1,947	Note		
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	102,963	102,963	11,722,779	100.00	(13,612)	(53,412)	(53,467)	Subsidiary		
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	21,201	3,867	2,320	Subsidiary of a subsidiary		
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	21,993	21,993	740,000	7.80	5,945	(64)	(5)	Subsidiary of a subsidiarv		
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	2,011,847	2,011,847	67,693,370	100.00	2,369,778	223,247	223,247	Subsidiary of a subsidiarv		
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,629,095	4,629,095	134,603,354	100.00	3,305,395	(328,375)	(328,375)	Subsidiary of a subsidiarv		
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	2,011,014	2,011,014	415,105,327	54.88	2,368,239	480,527	223,320	Subsidiary of a subsidiary		
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	330,827	25,764	25,764	Subsidiary of a subsidiarv		
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	178,024	178,024	5,935,900	100.00	(12,544)	(18,545)	(18,545)	Subsidiary of a subsidiary		
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	135,384	-	Subsidiary of a subsidiarv		
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	50,439	-	Subsidiary of a subsidiarv		
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	119,879	-	Subsidiary of a subsidiarv		
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	43,927	-	Subsidiary of a subsidiary		
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	677,306	-	Subsidiary of a subsidiary		
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	60,388	-	Subsidiary of a subsidiary		
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	104,732	-	Subsidiary of a subsidiary		
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	90,367	-	Subsidiary of a subsidiary		

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2022			Net profit (loss) of the investee for the six months ended June 30, 2022	Investment income (loss) recognized by the Company for the six months ended June 30, 2022		Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value				
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ -	\$ -	1	-	\$ -	\$ 26,410	\$ -	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	34,584	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	247,320	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	83,534	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	49,861	-	-	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	16,774	(11,645)	(11,645)	-	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	60,036	21,128	10,775	-	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	160,906	41,593	20,381	-	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	19,703	41,593	2,496	-	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	82,095	41,593	10,398	-	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	British Virgin Islands	Professional investment	87,994	87,994	2,990	100.00	120,746	4,360	4,360	-	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	65,853	41,593	8,496	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,326	24,326	12,500,000	100.00	24,326	13,186	-	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	26,349	26,349	40,000	100.00	26,349	614	-	-	Subsidiary of a subsidiary

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland China
Six months ended June 30, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net profit(loss) of investee for the six months ended June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2022	Book value of investments in June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 443,628	Note 1	\$ 279,882	\$ -	\$ -	\$ 279,882	\$ 13	100.00	\$ 11	\$ 75,907	\$ -	Note 3
President Chain Store (Shanghai) Ltd.	Cvenience Store	3,105,396	Note 1	2,750,494	354,902	-	3,105,396	(180,783)	100.00	(180,786)	472,897	-	Note 3
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	59,440	Note 1	59,440	-	-	59,440	(8,101)	100.00	(8,101)	595,310	-	Note 3
Shan Dong President Yinzuo Commercial Limited	Supermarkets	266,177	Note 1	121,209	-	-	121,209	(79,960)	55.00	(42,465)	18,799	7,727	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	173,712	Note 1	173,712	-	-	173,712	(16,868)	73.74	(12,439)	(26,247)	54,923	Note 3
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	177,451	Note 1	171,158	-	-	171,158	8,826	80.00	7,184	193,398	25,331	Note 3
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	266,177	Note 1	266,177	-	-	266,177	3,207	100.00	3,207	430,731	-	Note 3
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	221,814	Note 1	221,814	-	-	221,814	7,985	100.00	9,431	232,827	-	Note 3
President Chain Store (Zhejiang) Ltd.	Cvenience Store	931,619	Note 1	931,619	-	-	931,619	(97,134)	100.00	(97,134)	264,629	-	Note 3
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	266,177	Note 1	266,177	-	-	266,177	(17,227)	100.00	(17,227)	112,009	-	Note 3

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.

Note 3: These amounts are based solely on their unreviewed financial statements.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	\$ 4,957,542	\$ 9,547,510	\$ 23,232,938	
President Pharmaceutical Corp.	173,712	173,712	424,982	
Uni-President Cold-Chain Corp.	88,192	88,192	866,432	
Ren-Hui Investment Corp.	51,216	51,216	80,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares
June 30, 2022

Table 10

Shareholder name	Shares held as at June 30, 2022	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

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