

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 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.
PARENT COMPANY ONLY
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DECEMBER 31, 2022 AND 2021
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of President Chain Store Corp. as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matters* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of President Chain Store Corp. as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

Completeness and accuracy of retail sales revenue

Description

Please refer to Notes 4(23) and 6(21) to the parent company only financial statements for the accounting policy and the details of accounting relating to this key audit matter.

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

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

How our audit addressed the matter

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

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

Cost-to-retail ratio of retail inventory method

Description

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

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

How our audit addressed the matter

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

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

Other matter –Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the accounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$2,822,788 thousand and NT\$2,154,739 thousand, constituting 1.8% and 1.5% of parent company only total assets as of December 31, 2022 and 2021, respectively, and the comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for using equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method)

amounted to NT\$609,464 thousand and (NT\$79,073) thousand, constituting 5.2% and (0.9%) of parent company only total comprehensive income for the years then ended, respectively.

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

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

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

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

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

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

As part of an audit in accordance with the Standards of Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement in the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

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

Yi-Chang, Liang

Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

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

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

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

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

(Continued)

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(13)	\$	7,700,000	5	\$	3,500,000	2
2130	Contract liabilities – current	6(21)		4,867,841	3		4,762,325	3
2150	Notes payable			1,250,438	1		1,213,443	1
2160	Notes payable – related parties	7(3)		6,854,022	4		6,145,475	4
2170	Accounts payable			1,460,921	1		1,889,771	1
2180	Accounts payable – related parties	7(3)		10,453,633	7		9,664,135	7
2200	Other payables	6(14)		19,683,959	12		18,885,165	13
2230	Current income tax liabilities	6(28)		879,461	1		626,645	1
2280	Lease liabilities – current	7(3)		8,535,793	5		9,046,183	6
2300	Other current liabilities	6(15)		1,659,033	1		1,739,156	1
21XX	Total current liabilities			63,345,101	40		57,472,298	39
Non-current liabilities								
2527	Contract liabilities – non-current	6(21)		215,847	-		201,663	-
2570	Deferred income tax liabilities	6(28)		3,601,885	2		3,567,607	3
2580	Lease liabilities – non-current	7(3)		49,272,717	31		44,423,203	30
2640	Net defined benefit liability	6(16)						
	– non-current			1,984,245	1		2,698,132	2
2645	Guarantee deposit received			3,469,748	2		3,197,650	2
2670	Other non-current liabilities			738,394	1		719,415	1
25XX	Total non-current liabilities			59,282,836	37		54,807,670	38
2XXX	Total liabilities			122,627,937	77		112,279,968	77
Equity								
	Share capital	6(17)						
3110	Share capital – common stock			10,396,223	7		10,396,223	7
	Capital surplus	6(18)						
3200	Capital surplus			87,852	-		86,222	-
	Retained earnings	6(19)						
3310	Legal reserve			14,323,836	9		15,379,788	10
3320	Special reserve			1,921,515	1		1,332,621	1
3350	Unappropriated retained earnings			9,784,279	6		8,889,669	6
	Other equity	6(20)						
3400	Other equity interest		(	54,625)	-	(	1,921,515)	(1)
3XXX	Total equity			36,459,080	23		34,163,008	23
3X2X	Total liabilities and equity		\$	159,087,017	100	\$	146,442,976	100

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

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

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7(3)	\$	182,872,403	100	\$	168,010,130
5000 Operating costs	6(3)(26) and 7(3)	(	121,633,971	(67)	(	111,722,341
5900 Gross profit			61,238,432	33		56,287,789
Operating expenses	6(26)(27)					
6100 Selling expenses		(	50,762,856	(28)	(	46,623,860
6200 General and administrative expenses		(	4,381,165	(2)	(	3,866,297
6450 Expected credit losses	12(2)	(	1,177	-	(-
6000 Total operating expenses		(	55,145,198	(30)	(	50,490,157
6900 Operating profit			6,093,234	3		5,797,632
Non-operating income and expenses	7(3)					
7100 Interest income	6(22)		43,869	-		22,263
7010 Other income	6(23)		1,728,419	1		1,512,580
7020 Other gains and losses	6(24)	(	119,901	-	(	54,885
7050 Finance costs	6(25)	(	433,240	-	(	404,229
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)		3,409,883	2		2,838,228
7000 Total non-operating income and expenses			4,629,030	3		4,023,727
7900 Profit before income tax			10,722,264	6		9,821,359
7950 Income tax expense	6(28)	(	1,440,614	(1)	(	959,740
8200 Profit for the year		\$	9,281,650	5	\$	8,861,619
Other comprehensive (loss) income						
8311 Gain on remeasurement of defined benefit plan	6(16)	\$	474,844	-	\$	93,166
8316 Unrealized (loss) gain on valuation of equity instruments at fair value through other comprehensive income	6(5)(20)	(	318,428	-	(	206,082
8330 Share of other comprehensive gain of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss			221,602	-		86,479
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(	96,156	-	(	11,538
8310 Components of other comprehensive income that will not be reclassified to profit or loss			281,862	-		374,189
8361 Financial statements translation differences of foreign operations	6(20)		2,145,224	1	(	793,912
8380 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss			42,543	-	(	10,187
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss			2,187,767	1	(	804,099
8300 Total other comprehensive income (loss) for the year		\$	2,469,629	1	(	429,910
8500 Total comprehensive income for the year		\$	11,751,279	6	\$	8,431,709
9750 Basic earnings per share	6(29)	\$	8.93		\$	8.52
9850 Diluted earnings per share	6(29)	\$	8.91		\$	8.51

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings				Other equity interest			
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
For the year ended December 31, 2021									
Balance at January 1, 2021		\$ 10,396,223	\$ 47,628	\$ 14,369,228	\$ 380,187	\$ 12,159,546	(\$ 1,973,268)	\$ 640,647	\$ 36,020,191
Profit for the year		-	-	-	-	8,861,619	-	-	8,861,619
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	158,984	(803,627)	214,733	(429,910)
Total comprehensive income (loss) for the year		-	-	-	-	9,020,603	(803,627)	214,733	8,431,709
Distribution of 2020 earnings:	6(19)								
Legal reserve		-	-	1,010,560	-	(1,010,560)	-	-	-
Special reserve		-	-	-	952,434	(952,434)	-	-	-
Cash dividends		-	-	-	-	(9,356,600)	-	-	(9,356,600)
Overdue unclaimed cash dividend transferred to capital surplus		-	774	-	-	-	-	-	774
Acquisition of additional equity interest in a subsidiary		-	-	-	-	(969,812)	-	-	(969,812)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	57	-	-	-	-	-	57
Adjustment to capital surplus due to non-proportional investment accounted for using equity method		-	37,763	-	-	-	-	-	37,763
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	(1,074)	-	-	(1,074)
Balance at December 31, 2021		\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008
For the year ended December 31, 2022									
Balance at January1, 2022		\$ 10,396,223	\$ 86,222	\$ 15,379,788	\$ 1,332,621	\$ 8,889,669	(\$ 2,776,895)	\$ 855,380	\$ 34,163,008
Profit for the year		-	-	-	-	9,281,650	-	-	9,281,650
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	602,739	2,186,877	(319,987)	2,469,629
Total comprehensive income(loss) for the year		-	-	-	-	9,884,389	2,186,877	(319,987)	11,751,279
Distribution of 2021 earnings:	6(19)								
Legal reserve		-	-	804,972	-	(804,972)	-	-	-
Special reserve		-	-	-	588,894	(588,894)	-	-	-
Cash dividends		-	-	(1,860,924)	-	(7,495,676)	-	-	(9,356,600)
Overdue unclaimed cash dividend transferred to capital surplus		-	938	-	-	-	-	-	938
Acquisition of additional equity interest in a subsidiary		-	-	-	-	(104,272)	-	-	(104,272)
Adjustment to capital surplus due to associates' adjustment of capital surplus		-	692	-	-	-	-	-	692
Disposal of equity instruments designated at fair value through other comprehensive income of associates		-	-	-	-	4,035	-	-	4,035
Balance at December 31, 2022		\$ 10,396,223	\$ 87,852	\$ 14,323,836	\$ 1,921,515	\$ 9,784,279	(\$ 590,018)	\$ 535,393	\$ 36,459,080

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax for the year		\$ 10,722,264	\$ 9,821,359
Adjustments to reconcile before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value through profit or loss		-	(1,950)
Expected credit losses	12(2)	1,177	-
Depreciation expense	6(7)(8)(26)	11,942,588	10,984,730
Amortization expense	6(11)(26)	128,710	67,301
Depreciation on investment property	6(10)	6,821	6,452
Finance costs	6(25)	433,240	404,229
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(3,409,883)	(2,838,228)
Loss on disposal of property, plant and equipment	6(24)	86,484	3,085
Gain on disposal of investment property	6(24)	(29,507)	(22,549)
Gain from lease modification	6(8)(24)	(53,170)	(70,238)
Interest income	6(22)	(43,869)	(22,263)
Dividend income	6(23)	(121,126)	(82,168)
Other income recognized from rent concessions	6(8)	(3,449)	(32,852)
Changes in operating assets and liabilities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		-	380
Accounts receivable	(	8,169)	(140,398)
Other receivables	(	71,588)	(1,268,379)
Inventories	(	1,589,304)	(1,088,382)
Prepayments		28,075	(231,277)
Other current assets		747,115	228,331
Other non-current assets	(	120,519)	(4,610)
Net changes in liabilities relating to operating activities			
Contract liabilities - current		105,516	1,563,257
Accounts payable		360,648	937,365
Notes payable		745,542	1,902,689
Other payables	(	413,772)	3,208,874
Other current liabilities	(	80,123)	58,603
Contract liabilities - non-current		14,184	(132,782)
Net defined benefit liability	(	239,043)	(77,294)
Other non-current liabilities	(	22,255)	184,864
Cash inflow generated from operations		19,116,587	23,358,149
Interest received		44,342	22,684
Income tax paid	6(28)	(1,218,313)	(1,778,260)
Interest paid	(	417,460)	(393,668)
Dividends received		2,877,372	3,547,793
Net cash flows from operating activities		20,402,528	24,756,698

(Continued)

PRESIDENT CHAIN STORE CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

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

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) President Chain Store Corporation (the “Company”) was established on June 10, 1987. The Company is primarily engaged in the investment and operation of convenience store chains. Business items included sales of food, beverages, coffee, daily commodities, cosmetics and health care products. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997.
- (2) The Company’s ultimate parent company is Uni-President Enterprises Corp., which holds 45.4% equity interest in the Company.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on February 23, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability of leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Classification of non-current liabilities with covenants'	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.
- B. The preparation of financial statements, in conformity with IFRSs, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses based on the nature of those transactions are presented in parent company only the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and jointly arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or jointly arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or jointly arrangements after losing significant influence over the former foreign associate, or losing joint control of the former jointly arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

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

(5) Cash equivalents

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

For financial assets measured at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected

credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Leasing arrangement (lessor) – operating leases

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

(11) Inventories

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

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

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owner. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or

indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. The Company accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

- N. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment are measured subsequently using the cost model. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	50 years
Operating equipment	2 ~ 8 years
Leasehold improvements	7 ~ 10 years

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

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

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

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

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

(15) Investment property

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

(16) Intangible assets

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

(17) Impairment of non-financial assets

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

(18) Borrowings

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

(19) Notes and accounts payable

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

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

(20) Provisions

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

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

C. Termination benefits

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

D. Employees' and directors' remuneration

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

(22) Income tax

- A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

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

(23) Revenue recognition

A. Sale of goods

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

B. Sales of services

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

C. Financing components

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Petty cash in store	\$ 1,047,270	\$ 979,358
Checking accounts and demand deposits	8,271,725	9,440,263
Cash equivalents		
Time deposits	-	300,000
Short-term financial instruments	<u>1,298,345</u>	<u>-</u>
	<u>\$ 10,617,340</u>	<u>\$ 10,719,621</u>

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

B. The Company has no cash and cash equivalents pledged to others.

(2) Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 742,285	\$ 734,116
Less: Allowance for doubtful accounts	(2,149)	(972)
	<u>\$ 740,136</u>	<u>\$ 733,144</u>

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

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

The above ageing analysis was based on past due date.

- B. As at December 31, 2022 and 2021, accounts receivable was all from contracts with customers. And as at January 1, 2021, the balance of receivables from contracts with customers amounted to \$592,746.
- C. No accounts receivable of the Company was pledged to others.
- D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$740,136 and \$733,144, respectively.
- E. Information relating to credit risk is provided in Note 12(2).

(3) Inventories

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

The cost of inventories recognized as expense:

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

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

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

- A. The Company recognized net gains of financial assets at fair value through profit or loss was \$36,989 and \$20,244 for the years ended December 31, 2022 and 2021, respectively.
- B. No financial assets at fair value through profit or loss of the Company were pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Equity instruments</u>		
Listed stocks	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348
	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	<u>577,527</u>	<u>895,955</u>
	<u>\$ 847,481</u>	<u>\$ 1,165,909</u>

A. The Company has elected to classify the listed and unlisted stocks that are considered to be strategic investments and have steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$847,481 and \$1,165,909 as at December 31, 2022 and 2021, respectively.

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

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 318,428)	\$ 206,082
Dividend income recognized in profit or loss	<u>\$ 84,137</u>	<u>\$ 63,494</u>

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was \$847,481 and \$1,165,909, respectively.

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

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

(6) Investments accounted for using the equity method

	<u>2022</u>	<u>2021</u>
At January 1	\$ 46,935,745	\$ 49,110,865
Addition of investments accounted for using equity method	390,000	102,963
Share of profit or loss of investments accounted for using equity method	3,409,883	2,838,228
Earnings distribution of investments accounted for using equity method	(2,756,246)	(3,465,625)
Changes in other equity items	<u>2,309,824</u>	<u>(1,650,686)</u>
At December 31	<u>\$ 50,289,206</u>	<u>\$ 46,935,745</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Subsidiaries</u>		
President Chain Store (BVI) Holdings Ltd.	\$ 25,442,996	\$ 23,075,419
Uni-Wonder Corp.	4,941,483	4,832,636
President Transnet Corp.	2,376,245	2,330,196
President Drugstore Business Corp.	1,797,884	1,458,917
Uni-President Cold-Chain Corp.	1,022,870	956,984
Wisdom Distribution Service Corp.	904,525	811,447
Mech-President Corp.	820,340	690,901
President Pharmaceutical Corp.	715,589	544,724
Uni-President Superior Commissary Corp.	567,811	543,055
President Information Corp.	513,883	513,555
Uni-President Department Store Corp.	484,090	454,934
Q-ware Systems & Services Corp.	420,994	409,164
ICASH Corp.	418,981	470,616
Books.com. Co., Ltd.	317,655	411,281
Duskin Serve Taiwan Co., Ltd.	237,178	220,426
21 Century Co., Ltd.	186,243	173,630
Retail Support International Corp.	185,572	144,394
President Collect Service Corp., etc.	379,367	256,267
	<u>41,733,706</u>	<u>38,298,546</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Associates</u>		
PresiCarre Corp.	\$ 4,868,968	\$ 5,077,087
President Fair Development Corp.	2,177,267	2,123,492
Uni-President Development Corp.	778,387	757,554
President International Development Corp.	469,939	447,310
Tung Ho Development Corp.	55,640	60,012
Uni-President Organics Corp.	49,668	47,293
President Technology Corp.	27,583	26,723
	<u>8,427,452</u>	<u>8,539,471</u>
<u>Joint ventures</u>		
Mister Donut Taiwan Co., Ltd.	\$ 128,048	\$ 97,728
	<u>\$ 50,289,206</u>	<u>\$ 46,935,745</u>

- A. Information about the subsidiaries of the Company is provided in Note 4(3), “Basis of preparation” of the consolidated financial statements as of and for the year ended December 31, 2022.
- B. The acquisition of additional shares in certain investments in associates or joint ventures are not significant to the Company. The details of the Company’s share of the operating results in the aforementioned investments are as follows:

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total comprehensive income	<u>\$ 228,765</u>	<u>\$ 384,769</u>

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total comprehensive income	<u>\$ 38,694</u>	<u>\$ 9,304</u>

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

(7) Property, plant and equipment

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

	2022					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 1,518,631	\$ 957,651	\$ 17,435,785	\$ 10,582,840	\$ 27,123	\$ 30,522,030
Accumulated depreciation and impairment	(3,932)	(394,939)	(10,091,233)	(6,114,412)	(10,163)	(16,614,679)
	<u>\$ 1,514,699</u>	<u>\$ 562,712</u>	<u>\$ 7,344,552</u>	<u>\$ 4,468,428</u>	<u>\$ 16,960</u>	<u>\$ 13,907,351</u>
Opening net book amount as at January 1	\$ 1,514,699	\$ 562,712	\$ 7,344,552	\$ 4,468,428	\$ 16,960	\$ 13,907,351
Additions	726,288	-	3,651,441	2,394,824	437,875	7,210,428
Disposals	-	-	(59,720)	(76,867)	-	(136,587)
Transfer	22,414	2,374	14	36	(50)	24,788
Depreciation charge	-	(19,013)	(2,171,576)	(1,210,259)	(646)	(3,401,494)
Closing net book amount as at December 31	<u>\$ 2,263,401</u>	<u>\$ 546,073</u>	<u>\$ 8,764,711</u>	<u>\$ 5,576,162</u>	<u>\$ 454,139</u>	<u>\$ 17,604,486</u>
<u>At December 31</u>						
Cost	\$ 2,267,333	\$ 960,289	\$ 19,362,908	\$ 11,997,536	\$ 464,886	\$ 35,052,952
Accumulated depreciation and impairment	(3,932)	(414,216)	(10,598,197)	(6,421,374)	(10,747)	(17,448,466)
	<u>\$ 2,263,401</u>	<u>\$ 546,073</u>	<u>\$ 8,764,711</u>	<u>\$ 5,576,162</u>	<u>\$ 454,139</u>	<u>\$ 17,604,486</u>

	2021					
	Land	Buildings	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>						
Cost	\$ 1,545,466	\$ 968,199	\$ 15,991,485	\$ 9,652,347	\$ 14,808	\$ 28,172,305
Accumulated depreciation and impairment	(16,367)	(382,082)	(9,583,372)	(5,947,237)	(9,515)	(15,938,573)
	<u>\$ 1,529,099</u>	<u>\$ 586,117</u>	<u>\$ 6,408,113</u>	<u>\$ 3,705,110</u>	<u>\$ 5,293</u>	<u>\$ 12,233,732</u>
Opening net book amount as at January 1	\$ 1,529,099	\$ 586,117	\$ 6,408,113	\$ 3,705,110	\$ 5,293	\$ 12,233,732
Additions	-	-	2,792,246	1,907,678	13,595	4,713,519
Disposals	(4,199)	(3,735)	(12,176)	(81,359)	-	(101,469)
Transfer	(10,201)	(625)	-	1,280	(1,280)	(10,826)
Depreciation charge	-	(19,045)	(1,843,631)	(1,064,281)	(648)	(2,927,605)
Closing net book amount as at December 31	<u>\$ 1,514,699</u>	<u>\$ 562,712</u>	<u>\$ 7,344,552</u>	<u>\$ 4,468,428</u>	<u>\$ 16,960</u>	<u>\$ 13,907,351</u>
<u>At December 31</u>						
Cost	\$ 1,518,631	\$ 957,651	\$ 17,435,785	\$ 10,582,840	\$ 27,123	\$ 30,522,030
Accumulated depreciation and impairment	(3,932)	(394,939)	(10,091,233)	(6,114,412)	(10,163)	(16,614,679)
	\$ 1,514,699	\$ 562,712	\$ 7,344,552	\$ 4,468,428	\$ 16,960	\$ 13,907,351

B. No property, plant and equipment of the Company was pledged to others.

(8) Leasing arrangements – lessee

A. The Company leases various assets including buildings and equipment, etc. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	<u>\$ 56,946,107</u>	<u>\$ 52,636,229</u>

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	<u>\$ 8,541,094</u>	<u>\$ 8,057,125</u>

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

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

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

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$8,884,157 and \$8,074,048, respectively.

F. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to sales generated from a store. For the above-mentioned stores, approximately 1.30% and 0.83% of lease payments for the years ended December 31, 2022 and 2021, respectively, are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$1,169 and \$702 for the years ended December 31, 2022 and 2021, respectively.

G. The Company's leases not yet commenced to which the leases are committed are business premises for the lessees, and the lease liabilities undiscounted amount at December 31, 2022 and 2021 are \$3,587,734 and \$2,934,809, respectively.

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

(9) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 and 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Rental revenue	\$ 736,441	\$ 652,158
Rental revenue from variable lease payments	\$ 434,434	\$ 375,028

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

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

(10) Investment property

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

	2021		
	Land	Buildings	Total
At January 1	\$ 977,552	\$ 206,323	\$ 1,183,875
Additions	325,221	50,717	375,938
Disposals	(9,119)	(6,886)	(16,005)
Transfer	10,201	625	10,826
Depreciation charge	-	(6,452)	(6,452)
At December 31	<u>\$ 1,303,855</u>	<u>\$ 244,327</u>	<u>\$ 1,548,182</u>

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

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

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 ranged from \$3,562,396 to \$3,722,237, respectively, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers. Valuations were made using the comparative approach and income approach which is categorized within Level 3 in fair value hierarchy. Key assumptions are the discount rate of 2.39% to 2.41% and the growth rate of 3%.

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

(11) Intangible assets

<u>Software and copyright</u>	2022	2021
At January 1	\$ 290,720	\$ 162,265
Additions	196,162	195,756
Amortization charge	(128,710)	(67,301)
At December 31	<u>\$ 358,172</u>	<u>\$ 290,720</u>

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

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

(12) Other non-current assets

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

The Group signed a contract for the acquisition of land located in Taoyuan Aerotropolis Industry Area for approximately \$6,000,000 on September 27, 2022. The transaction will be paid in four installments. The first installment had been paid as of September 30, 2022.

(13) Short-term borrowings

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

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 3,500,000	0.38%~0.45%	None

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

(14) Other payables

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

(15) Other current liabilities

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

(16) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional

year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2.28% and 2.00% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

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

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

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

	2021		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 4,200,437)	\$ 1,331,845	(\$ 2,868,592)
Current service cost	(22,425)	-	(22,425)
Interest (expense) income	(12,470)	3,919	(8,551)
Past service cost	396	-	396
	<u>(4,234,936)</u>	<u>1,335,764</u>	<u>(2,899,172)</u>
Remeasurements:			
Return on plan assets (excluding amounts attributable to interest income or expense)	-	20,560	20,560
Change in demographic assumptions	(10,987)	-	(10,987)
Change in financial assumptions	111,587	-	111,587
Experience adjustments	(27,994)	-	(27,994)
	<u>72,606</u>	<u>20,560</u>	<u>93,166</u>
Pension fund contribution	-	98,696	98,696
Paid pension	<u>207,205</u>	<u>(198,027)</u>	<u>9,178</u>
At December 31	<u>(\$ 3,955,125)</u>	<u>\$ 1,256,993</u>	<u>(\$ 2,698,132)</u>

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). Relating condition of execution is supervised by Labor Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make contributions to cover for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Discount rate	1.30%	0.55%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 5th Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis is as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 85,515)	\$ 88,704	\$ 89,091	(\$ 86,359)
	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	0.25%	0.25%	0.25%	0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 108,545)	\$ 112,847	\$ 111,096	(\$ 107,483)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remained unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The method and assumption used in the current sensitivity analysis are the same as prior year.

- (e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$42,795.
- (f) As of December 31, 2022, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment is as follows:

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

- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the Company’s defined contribution pension plan for the years ended December 31, 2022 and 2021 were \$227,595 and \$219,931, respectively.

(17) Share capital

As of December 31, 2022, the Company's authorized capital was \$10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 shares as of December 31, 2022 and 2021.

(18) Capital surplus

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

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as legal reserve. After setting aside or reversing a special reserve, in accordance with related laws, the remaining amount is distributable for the given period. The appropriation of the total distributable amount (that is, the distributable amount for the year along with accumulated unappropriated earnings from prior years) should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%-100% of the total distributable amount, and 50%-100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve is not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2021 and 2020 were resolved by the shareholders on May 26, 2022 and July 16, 2021, respectively, as follows:

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

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

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

(20) Other equity items

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

	2021		
	Financial statements translation differences of foreign operations	Unrealized gains/(losses) on financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)
Revaluation and transfer:			
–The Company	-	206,082	206,082
–Subsidiaries	-	-	-
–Associates	-	1,556	1,556
Revaluation - tax	-	7,095	7,095
Currency translation differences:			
–The Company	(793,912)	-	(793,912)
–Subsidiaries	(1,339)	-	(1,339)
–Associates	(8,376)	-	(8,376)
At December 31	(\$ 2,776,895)	\$ 855,380	(\$ 1,921,515)

(21) Operating revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenue from contracts with customers	<u>\$ 182,872,403</u>	<u>\$ 168,010,130</u>

A. Disaggregation of revenue from contracts with customers

The Company operates a chain of retail stores and derives revenue from the transfer of goods and services over time and at a point in time. The operating revenue is categorized based on goods or services recognition timing as follows:

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

B. Contract liabilities

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

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

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

(22) Interest income

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

(23) Other income

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

(24) Other gains and losses

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

(25) Financial costs

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

(26) Expenses by nature

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

(27) Employee benefit expense

	For the year ended December 31, 2022	For the year ended December 31, 2021
Wages and salaries	\$ 6,292,331	\$ 5,677,962
Labor and health insurance fees	526,243	521,308
Pension costs	267,860	250,511
Directors' remuneration	176,186	162,498
Other personnel expenses	321,318	310,173
	<u>\$ 7,583,938</u>	<u>\$ 6,922,452</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.
- B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$497,571 and \$455,764, respectively; while directors' remuneration was accrued at \$166,237 and \$152,269, respectively.

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

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

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

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

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

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

B. Reconciliation between income tax expense and accounting profit

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

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

2022				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 107	\$ 235	\$ -	\$ 342
Unrealized expenses	149,676	31,613	-	181,289
Contract liabilities	93,071	35,717	-	128,788
Remeasurements of defined benefit obligation	512,197	-	(94,969)	417,228
Others	22,959	(3,959)	-	19,000
	<u>778,010</u>	<u>63,606</u>	<u>(94,969)</u>	<u>746,647</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(29,063)	578	(1,187)	(29,672)
Foreign investment income	(3,538,544)	(33,669)	-	(3,572,213)
	<u>(3,567,607)</u>	<u>(33,091)</u>	<u>(1,187)</u>	<u>(3,601,885)</u>
	<u>(\$2,789,597)</u>	<u>\$ 30,515</u>	<u>(\$ 96,156)</u>	<u>(\$ 2,855,238)</u>
2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Allowance for doubtful accounts	\$ 107	\$ -	\$ -	\$ 107
Unrealized expenses	95,971	53,705	-	149,676
Contract liabilities	67,078	25,993	-	93,071
Remeasurements of defined benefit obligation	530,830	-	(18,633)	512,197
Others	21,855	1,104	-	22,959
	<u>715,841</u>	<u>80,802</u>	<u>(18,633)</u>	<u>778,010</u>
<u>Deferred tax liabilities</u>				
Unrealized gain	(33,689)	(2,469)	7,095	(29,063)
Foreign investment income	(3,892,708)	354,164	-	(3,538,544)
	<u>(3,926,397)</u>	<u>351,695</u>	<u>7,095</u>	<u>(3,567,607)</u>
	<u>(\$3,210,556)</u>	<u>\$ 432,497</u>	<u>(\$ 11,538)</u>	<u>(\$ 2,789,597)</u>

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

(29) Earnings per share

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

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

(30) Supplemental cash flow information

Investing activities with partial cash payments

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

(31) Changes in liabilities from financing activities

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

Note: Presented in cash flows from operating activities.

	2021					
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Guarantee deposits received	Lease liabilities	Total liabilities from financing activities
At January 1	\$ 3,100,000	\$ 3,399,147	\$ -	\$ 2,964,161	\$ 50,849,317	\$ 60,312,625
Changes in cash flow from financing activities	400,000	(3,399,147)	(9,356,600)	233,489	(7,648,601)	(19,770,859)
Interest paid (Note)	-	-	-	-	(355,278)	(355,278)
Changes in other non-cash items	-	-	9,356,600	-	10,623,948	19,980,548
At December 31	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,197,650</u>	<u>\$ 53,469,386</u>	<u>\$ 60,167,036</u>

Note: Presented in cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of December 31, 2022.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Uni-President Enterprises Corp.	Ultimate parent company
21 Century Co., Ltd.	Subsidiary
Books.com. Co., Ltd.	"
Capital Marketing Consultant Corp.	"
Duskin Serve Taiwan Co., Ltd.	"
ICASH Corp.	"
President Chain Store (BVI) Holdings Ltd.	"
President Drugstore Business Corp.	"
Uni-President Department Store Corp.	"
President Information Corp.	"
President Logistics International Corp.	"
Uni-President Superior Commissary Corp.	"
President Pharmaceutical Corp.	"
President Transnet Corp.	"
Retail Support International Corp.	"
Uni-President Oven Bakery Corp.	"
Uni-President Cold-Chain Corp.	"
Q-ware Systems & Services Corp.	"
Wisdom Distribution Service Corp.	"
Uni-Wonder Corp.	"
Connection Labs Ltd.	"
Tung Ang Enterprises Corp.	Sister company
President Professional Baseball Team Corp.	"
Presco Netmarketing Inc.	"
Tait Marketing & Distribution Co., Ltd.	"
President Packaging Industrial Corp.	"
Lien Bo Corp.	"
Kai Ya Food Co., Ltd.	"
Tung Hsyng Co., Ltd.	"
Uni-President Organics Corp.	Investee of the Company accounted for under the equity method
Mister Donut Taiwan Co., Ltd.	"
President Technology Corp.	"
Kuang Chuan Dairy Co., Ltd.	Investee of ultimate parent company accounted for under the equity method
Wei Lih Food Industrial Co., Ltd.	"
President Securities Corporation	"

(3) Significant related party transactions and balances

A. Operating revenue

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

B. Purchases (net of purchase rebate)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Ultimate parent company	\$ 17,304,860	\$ 15,832,285
Subsidiaries	7,265,161	6,218,480
Sister companies	5,137,993	4,676,063
Associates	223,617	208,430
Other related parties	786,927	729,009
	<u>\$ 30,718,558</u>	<u>\$ 27,664,267</u>

(a) The purchases above is a net amount after deducting the replacement for defects and rebate.

(b) The Company's purchases from the related parties are priced in accordance with the agreed terms that are generally not different from general vendors. The payment terms are net 10-60 days from the end of the month when invoice is issued and is generally not different from the general vendors.

C. Non-operating income

	For the year ended December 31, 2022	For the year ended December 31, 2021
Ultimate parent company	\$ 54,342	\$ 42,202
Subsidiaries	1,186,980	1,019,264
Sister companies	21,490	6,543
Associates	19,663	20,083
Other related parties	77,953	59,791
	<u>\$ 1,360,428</u>	<u>\$ 1,147,883</u>

D. Receivables (payables) from related parties

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

<u>Notes payable and accounts payable</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Ultimate parent company	\$ 452,953	\$ 435,215
Subsidiaries	16,719,660	15,266,508
Sister companies	48,603	26,567
Associates	85,106	80,890
Other related parties	<u>1,333</u>	<u>430</u>
	<u>\$ 17,307,655</u>	<u>\$ 15,809,610</u>

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

E. Leasing arrangements – lessee

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

(b) Acquisition of right-of-use assets

	<u>For the year ended December 31, 2022</u>	<u>For the year ended December 31, 2021</u>
Ultimate parent company	\$ 6,985	\$ -
Subsidiaries	-	\$ 8,314
Other related parties	-	26,178
Total	<u>\$ 6,985</u>	<u>\$ 34,492</u>

(c) Lease liabilities

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

F. Property transaction

(a) Acquisition of financial assets

				For the year ended December 31, 2021
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Consideration</u>
Subsidiary	Investments			
	accounted for using			
	equity method	11,722,779	Connection Labs Ltd.	\$ <u>102,963</u>

(b) Acquisition of other assets

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

(4) Key management compensation

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

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

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

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

B. Risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

December 31, 2022			
(Foreign currency: functional currency)	Foreign currency amount	Exchange	Book value
	(In thousands)	rate	(NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 897,600	0.2324	\$ 208,602
<u>Investments accounted for using equity method</u>			
USD: NTD	830,802	30.7100	25,513,915
December 31, 2021			
(Foreign currency: functional currency)	Foreign currency amount	Exchange	Book value
	(In thousands)	rate	(NTD)
<u>Financial assets</u>			
<u>Non-monetary items</u>			
JPY: NTD	\$ 842,700	0.2405	\$ 202,669
<u>Investments accounted for using equity method</u>			
USD: NTD	836,143	27.6800	23,144,443

- IV. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company amounted to \$87 and (\$327) for the years ended December 31, 2022 and 2021, respectively.
- V. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of investments accounted for using equity method denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2022 and 2021 would increase/decrease by \$1,275,696 and

\$1,157,222, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of financial assets at fair value through other comprehensive income – non-current denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Company's comprehensive income for the years ended December 31, 2022 and 2021 would increase/decrease by \$10,430 and \$10,133, respectively.

Price risk

- I. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- II. The company invested the price of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, with all other variables held constant, the post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$4,274 and \$4,274, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$42,374 and \$58,295, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from short-term borrowings. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

(b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Company manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.
- III. The Company adopts management of credit risk, whereby the default occurs when the contract payments are past due over certain number of days.
- IV. The Company assesses whether there has been a significant increase in credit risk on that instrument since initial recognition if the contract payments were past due over certain number of days based on the terms.

- V. The Company operates a chain of retail stores, thus the ratio of accounts receivable to total asset is low and the probability that accounts receivable cannot be received is low. For accounts receivable from other transactions, the Company manages individually and follows up regularly. The Company assesses credit impairment loss to be immaterial as at December 31, 2022 and 2021.
- VI. The Company has no written-off financial assets that are still under recourse procedures on December 31, 2022 and 2021.

(c) Liquidity risk

- I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- II. The Company invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Company held no money market funds as at December 31, 2022 and 2021.
- III. The Company has undrawn borrowing facilities beyond one year of \$22,191,127 and \$14,058,263 as of December 31, 2022 and 2021.
- IV. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are approximate to book value, maturing within one year, and expect for guarantee deposit received, maturing above three years, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

	Less than	Between	Between	
<u>December 31, 2021</u>	<u>1 year</u>	<u>1 and 2 years</u>	<u>2 and 3 years</u>	<u>Over 3 years</u>
Short-term borrowings	\$ 3,500,759	\$ -	\$ -	\$ -
Lease liabilities	8,263,489	8,092,149	7,519,834	31,177,635

- V. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

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

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

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

- C. Financial instruments not measured at fair value

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

	<u>December 31, 2022</u>			
	<u>Book value</u>	<u>Fair value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Financial assets:</u>				
Guarantee deposit paid	<u>\$ 1,680,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,618,751</u>
<u>Financial liabilities:</u>				
Guarantee deposit received	<u>\$ 3,469,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,362,992</u>

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

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

D. The related information for financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

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

December 31, 2022	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 85,480	\$ 85,480
Financial assets at fair value through other comprehensive income				
Equity securities	843,133	-	4,348	847,481
	<u>\$ 843,133</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 932,961</u>
December 31, 2021	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 85,480	\$ 85,480
Financial assets at fair value through other comprehensive income				
Equity securities	1,161,561	-	4,348	1,165,909
	<u>\$1,161,561</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$1,251,389</u>

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

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

	Listed shares
Market quoted price	Closing price

II. Except for financial instruments with active markets, the fair value of other financial instruments is measured using valuation techniques or by reference to counterparty

quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, by discounted cash flow method or other valuation methods, including calculations by applying models using market information available at the parent company only balance sheet date.

- E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2022 and 2021, there was no significant transfer in or out of Level 3.
- G. The Company is in charge of valuation procedures for fair value measurements being categorized within Level 3, which aim to verify the independent fair value of financial instruments. Such assessments is to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the resource of information is independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighboring area.
- H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

		Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	89,828	Market	Price to	2.42	The higher the
			comparable	book ratio		multiplier, the higher
			Net asset	multiplier		the fair value
			value	Net asset	-	The higher the net
				value		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	Price to	2.47	The higher the
			comparable	book ratio		multiplier, the higher
			Net asset	multiplier		the fair value
			value	Net asset	-	The higher the net
				value		asset value, the
						higher the fair value

- I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. If net assets value from financial assets and liabilities categorised within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2022 and 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

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

(4) Major shareholders information

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

14. SEGMENT INFORMATION

None.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Loans to others
For the year ended December 31, 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 year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note)	Ceiling on total loans granted (Note)	Footnote
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 48,000	\$ 48,000	\$ 48,000	0.85%	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 302,029	\$ 302,029	

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2022				
Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
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	634,531	2.79	634,531	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	208,602	0.61	208,602	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
Chieh Shun Logistics International Corp.	Beneficiary certificates: UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss — current	1,180,491	\$ 20,005	-	\$ 20,005	
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	2,325,497	32,011	-	32,011	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	8,651,751	130,389	-	130,389	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	295,248	5,003	-	5,003	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	3,597,260	49,517	-	49,517	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	79,164	1,193	-	1,193	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	10,393,748	143,072	-	143,072	
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	10,897,045	150,000	-	150,000	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital
For the year ended December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

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

Note 1: The security was recognized as "Financial assets at fair value through profit or loss--current".
Note 2: The security was recognized as "Investments accounted for using equity method".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Acquiring company	Name of property	Date of acquisition	Trade amount	Status of payment of proceeds	Name of the counter-party	Relationship	The last transfer data od counter-party				Basis for price determination	Reason for acquisition	Other terms
							Owner	Relationship	Transfer Day	Amount			
Wisdom Distribution Service Corp.	Hsinhui Section, Anle Dist., Keelung City	November 3, 2021	\$ 763,960	100% of price was paid	Shun Chuan Warehousing Co., Ltd.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 1	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	No.240, Biliu Section, Beitun Dist., Taichung City	July 27, 2022	726,288	100% of price was paid	Natural Person	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 2	Based on the comprehensive planning of the company	Not applicable
President Chain Store Corp.	Taoyuan Aerotropolis Industry Area	July 28, 2022	6,000,000	The first installment of 600 million was paid	Taoyuan City Government and Civil Aeronautics Administration	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Based on the market conditions. (Note 3)	Based on the comprehensive planning of the company	Not applicable

Note 1: Based on the appraisal results of Evermore Appraisers Firm (Appraisal amount \$778,631) and market conditions.
Note 2: Based on the appraisal results of Decision Internation Real Estate Appraiser Joint Office (Appraisal amount \$634,214) and market conditions.
Note 3: Public tendering land from Taoyuan City Government and Civil Aeronautics Administration.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 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	\$ 17,304,860	14	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,527,970) (	8)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	4,509,030	4	Net 45 days from the end of the month when invoice is issued	"	"	(840,084) (	4)	
	Tung Ang Enterprises Corp.	Sister company	"	2,301,043	2	Net 30 days from the end of the month when invoice is issued	"	"	(187,207) (	1)	
	21 Century Co., Ltd.	Subsidiary	"	1,024,131	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(188,314) (	1)	
	President Pharmaceutical Corp.	"	"	824,169	1	Net 60~70 days from the end of the month when invoice is issued	"	"	(162,922) (	1)	
	Kai Ya Food Co., Ltd.	Sister company	"	785,595	1	Net 40 days from the end of the month when invoice is issued	"	"	(118,228) (	1)	
	Tait Marketing & Distribution Co., Ltd.	"	"	684,936	1	Net 20~70 days from the end of the month when invoice is issued	"	"	(115,496) (	1)	
	Lien Bo Corp.	"	"	683,912	1	Net 10~54 days from the end of the month when invoice is issued	"	"	(101,094) (	1)	
	Q-ware Systems & Services Corp.	Subsidiary	"	675,507	1	Net 40 days from the end of the month when invoice is issued	"	"	(134,200) (	1)	
	President Packaging Industrial Corp.	Sister company	"	527,060	-	Net 15~60 days from the end of the month when invoice is issued	"	"	(103,063) (	1)	
	President Transnet Corp.	Subsidiary	"	504,162	-	Net 60 days from the end of the month when invoice is issued	"	"	(87,481)	-	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	453,868	-	Net 30~65 days from the end of the month when invoice is issued	"	"	(125,320) (	1)	
	Wei Lih Food Industrial Co., Ltd.	"	"	268,244	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(44,067)	-	
	ICASH Corp.	Subsidiary	"	204,594	-	Net 60 days from the end of the month when invoice is issued	"	"	(34,904)	-	
	President Drugstore Business Corp.	"	"	150,069	-	Net 30~60 days from the end of the month when invoice is issued	"	"	(39,335)	-	
	Mister Donut Taiwan Co., Ltd.	joint venture	"	113,862	-	Net 55~60 days from the end of the month when invoice is issued	"	"	(26,129)	-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	(270,408) (	72)	Net 45~65 days from the end of the month when invoice is issued	"	"	57,533	68	
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	Delivery revenue	(1,546,396) (	67)	Net 20 days from the end of the month when invoice is issued	"	"	137,951	49	
	President Transnet Corp.	Subsidiary of President Chain Store Corp.	"	(699,436) (	30)	Net 40 days from the end of the month when invoice is issued	"	"	136,766	49	
President Transnet Corp.	Chieh Shun Logistics International Corp.	"	Service cost	699,436	7	Net 40 days from the end of the month when invoice is issued	"	"	(136,766) (	6)	
	President Chain Store Corp.	Parent company	Sales revenue	(504,162) (	57)	Net 60 days from the end of the month when invoice is issued	"	"	87,481	5	
	President Collect Service Corp.	Subsidiary of President Chain Store Corp.	Service revenue	(259,166) (	2)	Net 30 days from the end of the month when invoice is issued	"	"	28,853	-	
	Books.com. Co., Ltd.	"	"	(110,993) (	1)	Net 30 days from the end of the month when invoice is issued	"	"	8,966	-	

Table 5

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	\$ 484,691	8	Net 30 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 50,921) (	6)	
	Tong Zhan Corporation Ltd.	Other related party	"	1,254,436	21	Net 25 days from the end of the month when invoice is issued	"	"	(147,387) (	16)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	276,691	5	Net 29 days from the end of the month when invoice is issued	"	"	(27,246) (	3)	
	Tait Marketing & Distribution Co., Ltd.	Other related party	"	182,323	3	Net 30 days from the end of the month when invoice is issued	"	"	(38,123) (	4)	
	Kai Ya Food Co., Ltd.	"	"	103,042	2	Net 30 days from the end of the month when invoice is issued	"	"	(21,683) (	2)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	(1,139,968) (	64)	Net 30 days from the end of the month when invoice is issued	"	"	235,884	62	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	"	(113,726) (	6)	Net 45 days from the end of the month when invoice is issued	"	"	20,645	5	
	President Transnet Corp.	"	"	(100,898) (	6)	Net 45 days from the end of the month when invoice is issued	"	"	25,578	7	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	1,546,396	39	Net 20 days from the end of the month when invoice is issued	"	"	(137,951) (	32)	
	Retail Support International Corp.	Parent company	Delivery revenue	(966,564) (	23)	Net 20 days from the end of the month when invoice is issued	"	"	94,622	21	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	(1,374,879) (	33)	Net 20 days from the end of the month when invoice is issued	"	"	135,743	31	
	Wisdom Distribution Service Corp.	"	"	(1,520,093) (	37)	Net 20 days from the end of the month when invoice is issued	"	"	174,633	40	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	966,564	49	Net 20 days from the end of the month when invoice is issued	"	"	(94,622) (	46)	
	Retail Support Taiwan Corp.	"	"	322,597	16	Net 15~20 days from the end of the month when invoice is issued	"	"	(25,632) (	13)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	(276,691) (	8)	Net 29 days from the end of the month when invoice is issued	"	"	27,246	11	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	"	Service cost	1,374,879	39	Net 20 days from the end of the month when invoice is issued	"	"	(135,743) (	2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	1,520,093	40	Net 20 days from the end of the month when invoice is issued	"	"	(174,633) (	38)	
	Books.com. Co., Ltd.	"	Service revenue	(301,652) (	7)	Net 30~90 days from the end of the month when invoice is issued	"	"	29,544	39	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	(675,507) (	42)	Net 40 days from the end of the month when invoice is issued	"	"	134,200	53	
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	560,835	5	Net 70 days from the end of the month when invoice is issued	"	"	(26,288) (	1)	
	President Chain Store Corp.	Parent company	Sales revenue	(150,069) (	1)	Net 30~60 days from the end of the month when invoice is issued	"	"	39,335	7	
	President Fair Development Corp.	Other related party	Purchases	157,830	1	Net 30 days from the end of the month when invoice is issued	"	"	(47,883) (	3)	
	Uni-President Enterprises Corp.	Ultimate parent company	"	100,909	1	Net 30~60 days from the end of the month when invoice is issued	"	"	(4,339)	-	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
For the year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary of President Chain Store Corp.	Sales revenue	\$ 560,835	(25)	Net 70 days from the end of the month when invoice is issued	No significant differences	No significant differences	\$ 26,288	5	
	President Chain Store Corp.	Parent company	"	(824,169)	(37)	Net 60~70 days from the end of the month when invoice is issued	"	"	162,922	31	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	(4,509,030)	(96)	Net 45 days from the end of the month when invoice is issued	"	"	840,084	95	
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	217,303	7	Net 60 days from the end of the month when invoice is issued	"	"	(45,292)	(5)	
	Koasa Yamako Corp.	Other related party	"	247,843	8	Net 60 days from the end of the month when invoice is issued	"	"	(64,246)	(7)	
	21 Century Co., Ltd.	Subsidiary of President Chain Store Corp.	Sales revenue	(147,757)	(3)	Net 60 days from the end of the month when invoice is issued	"	"	37,708	4	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	"	(1,024,131)	(50)	Net 30~60 days from the end of the month when invoice is issued	"	"	188,314	62	
	Uni-President Superior Commissary Corp.	Subsidiary of President Chain Store Corp.	Purchases	147,757	11	Net 60 days from the end of the month when invoice is issued	"	"	(37,708)	(11)	
Retail Support Taiwan Corp.	Retail Support International Corp.	Parent company	Delivery revenue	(322,597)	(93)	Net 15~20 days from the end of the month when invoice is issued	"	"	25,632	79	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	(282,323)	(17)	Net 15~60 days from the end of the month when invoice is issued	"	"	58,506	26	
Zhejiang Uni-Champion Logistics Development Co., Ltd	Shanghai President Logistics Co., Ltd.	"	Delivery revenue	(111,306)	(23)	Net 80 days from the end of the month when invoice is issued	"	"	30,189	34	
Shanghai President Logistics Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd	Subsidiary	Service cost	111,306	17	Net 80 days from the end of the month when invoice is issued	"	"	(30,189)	(27)	
President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary of President Chain Store Corp.	Delivery revenue	(123,122)	(93)	Net 30 days from the end of the month when invoice is issued	"	"	10,513	86	
Shan Dong President Yinzuo Commercial Limited	President Logistic ShanDong Co., Ltd.	"	Service cost	123,122	6	Net 30 days from the end of the month when invoice is issued	"	"	(10,513)	(2)	
ICASH Corp.	President Chain Store Corp.	Parent company	Sales revenue	(204,594)	(24)	Net 60 days from the end of the month when invoice is issued	"	"	34,904	32	
	President Chain Store Corp.	"	Service revenue	(184,997)	(22)	Net 60 days from the end of the month when invoice is issued	"	"	26,543	24	
President Collect Service Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Service cost	259,166	93	Net 30 days from the end of the month when invoice is issued	"	"	(28,853)	(100)	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction				
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets	
1	Uni-President Cold-Chain Corp.	President Chain Store Corp.	Subsidiary to parent company	Other operating revenue	(\$ 565,886)	Net 20 days from the end of the month when invoice is issued	0.19	
2	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(270,408)	Net 45~60 days from the end of the month when invoice is issued	0.09	
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(1,139,968)	Net 30 days from the end of the month when invoice is issued	0.39	
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	235,884	Net 30 days from the end of the month when invoice is issued	0.10	
3	President Information Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Service revenue	(113,726)	Net 45 days from the end of the month when invoice is issued	0.04	
3	President Information Corp.	President Transnet Corp.	Subsidiary to subsidiary	Service revenue	(100,898)	Net 45 days from the end of the month when invoice is issued	0.03	
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(675,507)	Net 40 days from the end of the month when invoice is issued	0.23	
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	134,200	Net 40 days from the end of the month when invoice is issued	0.06	
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(4,509,030)	Net 45 days from the end of the month when invoice is issued	1.55	
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	840,084	Net 45 days from the end of the month when invoice is issued	0.36	
5	Uni-President Superior Commissary Corp.	21 Century Co., Ltd.	Subsidiary to subsidiary	Sales revenue	(147,757)	Net 60 days from the end of the month when invoice is issued	0.05	
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	(560,835)	Net 70 days from the end of the month when invoice is issued	0.19	
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(824,169)	Net 60~70 days from the end of the month when invoice is issued	0.28	
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	162,922	Net 60~70 days from the end of the month when invoice is issued	0.07	
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(504,162)	Net 60 days from the end of the month when invoice is issued	0.17	
7	President Transnet Corp.	President Collect Service Corp.	Subsidiary to subsidiary	Service revenue	(259,166)	Net 30 days from the end of the month when invoice is issued	0.09	
7	President Transnet Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(110,993)	Net 30 days from the end of the month when invoice is issued	0.04	
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	(1,546,396)	Net 20 days from the end of the month when invoice is issued	0.53	
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	137,951	Net 20 days from the end of the month when invoice is issued	0.06	
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	(699,436)	Net 40 days from the end of the month when invoice is issued	0.24	
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Accounts receivable	136,766	Net 40 days from the end of the month when invoice is issued	0.06	
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(966,564)	Net 20 days from the end of the month when invoice is issued	0.33	
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	(1,374,879)	Net 20 days from the end of the month when invoice is issued	0.47	
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	135,743	Net 20 days from the end of the month when invoice is issued	0.06	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2022

							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	
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	(\$ 1,520,093)	Net 20 days from the end of the month when invoice is issued	0.52
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	174,633	Net 20 days from the end of the month when invoice is issued	0.07
10	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(282,323)	Net 15~60 days from the end of the month when invoice is issued	0.10
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(1,024,131)	Net 30~60 days from the end of the month when invoice is issued	0.35
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	188,314	Net 30~60 days from the end of the month when invoice is issued	0.08
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	(301,652)	Net 30~90 days from the end of the month when invoice is issued	0.10
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	(322,597)	Net 15~20 days from the end of the month when invoice is issued	0.11
14	Zhejiang Uni-Champion Logistics Development Co., Ltd	Shanghai President Logistics Co., Ltd.	Subsidiary to subsidiary	Delivery revenue	(111,306)	Net 80 days from the end of the month when invoice is issued	0.04
15	President Logistic ShanDong Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Subsidiary to subsidiary	Delivery revenue	(123,122)	Net 30 days from the end of the month when invoice is issued	0.04
16	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(204,594)	Net 60 days from the end of the month when invoice is issued	0.07
16	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	(184,997)	Net 60 days from the end of the month when invoice is issued	0.06
17	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	(276,691)	Net 29 days from the end of the month when invoice is issued	0.10
18	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(150,069)	Net 30~60 days from the end of the month when invoice is issued	0.05

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022			Investment income (loss)		
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss) of the	Investment income (loss)	
				December 31, 2022	December 31, 2021				investee for the year ended December 31, 2022	recognized by the Company for the year ended December 31, 2022	Footnote
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 25,442,996	\$ 289,665	\$ 289,665	Subsidiary
President Chain Store Corp.	President Drugstore Business Corp.	Taiwan	Sales of cosmetics, medicines and daily items	288,559	288,559	78,520,000	100.00	1,797,884	321,609	321,610	Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,376,245	1,344,193	940,936	Subsidiary
President Chain Store Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	904,475	904,475	55,858,815	80.87	820,340	189,426	153,191	Subsidiary
President Chain Store Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	330,216	330,216	22,121,962	73.74	715,589	133,164	98,195	Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	484,090	156,673	109,671	Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	567,811	74,093	66,837	Subsidiary
President Chain Store Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	237,437	237,437	42,934,976	60.00	1,022,870	429,821	257,892	Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	513,883	96,422	82,923	Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	420,994	114,572	99,510	Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	40,591,436	100.00	904,525	359,919	359,808	Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	317,655	214,956	107,522	Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,834 (	55) (	55) (	Subsidiary
President Chain Store Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	102,000	102,000	10,199,999	51.00	237,178	203,833	103,955	Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	418,981 (	51,550) (	51,550) (	Subsidiary
President Chain Store Corp.	Uni-President Development Corp.	Taiwan	Construction, development and operation of an MRT station	720,000	720,000	72,000,000	20.00	778,387	190,928	38,185	Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,941,483	699,227	326,340	Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	185,572	195,521	48,880	Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	4,868,968	1,463,083	41,442	Note
President Chain Store Corp.	President Fair Development Corp.	Taiwan	Operation of shopping mall, department store, international trade, etc.	3,191,700	3,191,700	190,000,000	19.00	2,177,267	283,027	53,775	Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	469,939	188,736	6,691	Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	55,640 (	73,279) (	4,565) (	Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	26,587 (	20,678) (	21,472) (	Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	98,978	52,812	52,782	Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	70,919	361	333	Subsidiary
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Insurance brokers	213,000	213,000	1,500,000	100.00	40,621	21,869	21,870	Subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022			Investment income (loss)		
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss) of the	Investment income (loss)	Footnote
				December 31, 2022	December 31, 2021				investee for the year ended December 31, 2022	recognized by the Company for the year ended December 31, 2022	
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	\$ 170,000	\$ 170,000	12,244,390	100.00	\$ 34,137	\$ 8,179	\$ 8,179	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	(149,767)	(50,921)	(50,921)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	186,243	41,327	41,327	Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Trade and enterprise management consultancy	35,648	35,648	9,800	100.00	87,102	3,222	3,222	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	681,300	391,300	29,000,000	100.00	28,591	(113,698)	(113,698)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	88,577	95,274	66,691	Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	128,048	77,954	38,977	Note
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	49,668	39,397	14,447	Note
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	27,583	55,731	8,359	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	202,963	102,963	21,722,779	100.00	28,788	(111,083)	(111,071)	Subsidiary
Capital Marketing Consultant Corp.	Uni-Capital Marketing Consultant Holding Co., Ltd.	British Virgin Islands	Professional investment	14,868	-	463,907	100.00	11,872	(3,003)	(3,003)	Subsidiary of a subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	23,469	7,647	4,588	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	22,725	22,725	740,000	7.80	6,000	361	28	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	2,197,589	2,078,863	71,559,390	100.00	2,824,076	573,420	573,420	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,783,295	4,783,295	134,603,354	100.00	3,164,190	(522,434)	(522,434)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience store	2,196,728	2,078,003	418,467,647	55.32	2,822,788	1,129,151	573,790	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	351,169	46,106	46,106	Subsidiary of a subsidiary
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Hong Kong	Sales of various health care products, cosmetics, and pharmaceuticals	178,024	178,024	5,935,900	100.00	(30,406)	(37,261)	(37,261)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	214,956	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	156,673	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	189,426	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	96,422	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,344,193	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	114,572	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	203,833	-	Subsidiary of a subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
For the year ended December 31, 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 December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognized by the Company for the year ended December 31, 2022		Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value				
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	\$ -	\$ -	1	-	\$ -	\$ 133,164	\$ -	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	-	-	1	-	-	77,954	-	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	74,093	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	429,821	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	195,521	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	95,273	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	British Virgin Islands	Professional investment	60,374	60,374	2,000,000	100.00	4,967 (	23,875) (	23,875)	23,875)	Subsidiary of a subsidiary
Retail Support International Corp.	Retail Support Taiwan Corp.	Taiwan	Room-temperature logistics and warehousing	15,300	15,300	2,871,300	51.00	71,244	42,608	21,730	21,730	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	189,506	91,657	44,912	44,912	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	23,205	91,657	5,499	5,499	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	96,687	91,657	22,914	22,914	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	British Virgin Islands	Professional investment	87,994	87,994	2,990	100.00	120,444	3,641	3,641	3,641	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	77,349	91,657	18,331	18,331	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,798	24,798	12,500,000	100.00	24,798	6,692	-	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	26,860	26,860	40,000	100.00	26,860	935	-	-	Subsidiary of a subsidiary

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 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 year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net profit(loss) of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022	Book value of investments in December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 445,163	Note 1	\$ 289,205	\$ -	\$ -	\$ 289,205	\$ 473	100.00	\$ 471	\$ 76,633	\$ -	Note 2
President Chain Store (Shanghai) Ltd.	Convenience Store	3,116,141	Note 1	2,760,011	356,130	-	3,116,141	(295,663)	100.00	(295,666)	358,899	-	Note 2
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	61,420	Note 1	61,420	-	-	61,420	23,156	100.00	23,156	628,782	-	Note 2
Shan Dong President Yinzuo Commercial Limited	Supermarkets	267,098	Note 1	125,246	-	-	125,246	(161,948)	55.00	(87,560)	(26,183)	7,985	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	174,313	Note 1	174,313	-	-	174,313	(34,721)	73.74	(25,603)	(39,580)	57,077	Note 2
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	178,065	Note 1	174,383	-	-	174,383	7,451	80.00	6,083	192,970	26,175	Note 2
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	267,098	Note 1	267,098	-	-	267,098	28,138	100.00	28,139	457,286	-	Note 2
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	222,582	Note 1	222,582	-	-	222,582	13,905	100.00	15,350	239,590	-	Note 2
President Chain Store (Zhejiang) Ltd.	Convenience Store	934,842	Note 1	934,842	-	-	934,842	(200,448)	100.00	(200,449)	161,620	-	Note 2
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	267,098	Note 1	267,098	-	-	267,098	(36,480)	100.00	(36,480)	93,031	-	Note 2
Uni-Capital Marketing Consultant Corp.	Management Consulting	13,355	Note 1	-	13,355	-	13,355	(3,000)	100.00	(3,001)	10,340	-	Note 2

Note 1: Indirect investment in PRC through the existing company located in the third area.
Note 2: The financial statements were reviewed by the CPA of parent company in Taiwan.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	\$ 5,122,683	\$ 9,865,546	\$ 27,388,850
President Pharmaceutical Corp.	174,313	174,313	453,044
Uni-Capital Marketing Consultant Corp.	13,355	13,355	80,000
Uni-President Cold-Chain Corp.	91,130	91,130	1,010,546
Ren-Hui Investment Corp.	52,922	52,922	80,000

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES
List of shareholders holding more than 5% (inclusive) of shares
December 31, 2022

Table 10

Shareholder name	Shares held as at December 31, 2022	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022

Statement 1

Expressed in thousands of NTD

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

Statement 1

PRESIDENT CHAIN STORE CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022

Statement 2

Expressed in thousands of NTD

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 3

Expressed in thousands of NTD

Name	Balance as of January 1, 2022		Additions		Decreases(Note)		Balance as of December 31, 2022		
	Number of shares	Book value	Number of shares	Amount	Number of shares	Amount	Number of shares	Book value	Collateral
Listed stocks									
President Securities Corp.	40,545,111	\$ 140,534	-	\$ -	-	\$ -	40,545,111	\$ 140,534	None
Duskin Co., Ltd.	300,000	125,072	-	-	-	-	300,000	125,072	"
Unlisted stocks									
Koasa Yamako Corp.	650,000	4,348	-	-	-	-	650,000	4,348	"
Subtotal		269,954		-		-		269,954	
Valuation adjustment		895,955		-		(318,428)		577,527	
		<u>\$ 1,165,909</u>		<u>\$ -</u>		<u>(\$ 318,428)</u>		<u>\$ 847,481</u>	

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 4

Expressed in thousands of NTD

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 5

Expressed in thousands of NTD

Name	Balance as of January 1, 2022		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2022			Market price or Equity of subsidiaries and Associates		
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price	Total price	Collateral
President Chain Store (BVI) Holdings Ltd.	171,589,586	\$ 23,075,419	-	\$ 289,665	-	\$ -	2,077,912	171,589,586	100.00	\$ 25,442,996	\$ 148.28	\$ 25,442,996	None
President Drugstore Business Corp.	78,520,000	1,458,917	-	321,610	-	-	17,357	78,520,000	100.00	1,797,884	22.90	1,797,884	"
President Transnet Corp.	103,496,399	2,330,196	-	940,936	-	-	(894,887)	103,496,399	70.00	2,376,245	22.78	2,357,402	"
Mech-President Corp.	55,858,815	811,447	-	153,191	-	-	(144,298)	55,858,815	80.87	820,340	14.69	820,340	"
President Pharmaceutical Corp.	22,121,962	690,901	-	98,195	-	-	(73,507)	22,121,962	73.74	715,589	25.17	556,791	"
Uni-President Department Store Corp.	27,999,999	454,934	-	109,671	-	-	(80,515)	27,999,999	70.00	484,090	17.29	484,090	"
Uni-President Superior Commissary Corp.	48,519,890	544,724	-	66,837	-	-	(43,750)	48,519,890	90.00	567,811	11.70	567,811	"
Uni-President Cold-Chain Corp.	42,934,976	956,984	-	257,892	-	-	(192,006)	42,934,976	60.00	1,022,870	23.54	1,010,546	"
President Information Corp.	25,714,475	513,555	-	82,923	-	-	(82,595)	25,714,475	86.00	513,883	15.75	405,042	"
Q-ware Systems & Services Corp.	24,382,921	409,164	-	99,510	-	-	(87,680)	24,382,921	86.76	420,994	16.73	407,841	"
Wisdom Distribution Service Corp.	10,847,421	543,055	29,744,015	359,808	-	-	1,662	40,591,436	100.00	904,525	22.28	904,525	"

Name	Balance as of January 1, 2022		Additions (Note 1)		Decreases (Note 2)		Other Adjustments (Note 3)	Balances as of December 31, 2022			Market price or Equity of subsidiaries and Associates		
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price	Total price	Collateral
Books.com. Co., Ltd.	9,999,999	\$ 411,281	-	\$ 107,522	-	\$ -	(\$ 201,148)	9,999,999	50.03	\$ 317,655	\$ 31.77	\$ 317,655	None
Duskin Serve Taiwan Co., Ltd.	10,199,999	220,426	-	103,955	-	-	(87,203)	10,199,999	51.00	237,178	23.25	237,178	"
ICASH Corp.	70,000,000	470,616	-	-	-	(51,550)	(85)	70,000,000	100.00	418,981	5.99	418,981	"
Uni-President Development Corp.	72,000,000	757,554	-	38,185	-	-	(17,352)	72,000,000	20.00	778,387	10.81	778,387	"
Uni-Wonder Corp.	21,382,674	4,832,636	-	326,340	-	-	(217,493)	21,382,674	60.00	4,941,483	325.48	6,959,664	"
Retail Support International Corp.	6,429,999	173,630	-	48,880	-	-	(36,938)	6,429,999	25.00	185,572	27.46	176,585	"
PresiCarre Corp.	145,172,360	5,077,087	-	41,442	-	-	(249,561)	145,172,360	19.50	4,868,968	43.84	6,364,356	"
President Fair Development Corp.	190,000,000	2,123,492	-	53,775	-	-	-	190,000,000	19.00	2,177,267	10.55	2,004,734	"
President International Development Corp.	44,100,000	447,310	-	6,691	-	-	15,938	44,100,000	3.33	469,939	10.66	469,985	"
21 Century Co., Ltd.	10,000,000	144,394	-	41,327	-	-	522	10,000,000	100.00	186,243	18.62	186,243	"
President Collect Service Corp., etc.	-	<u>488,023</u> <u>\$ 46,935,745</u>	-	<u>604,860</u> <u>\$ 4,153,215</u>	-	<u>(301,782)</u> <u>(\$ 353,332)</u>	<u>(150,795)</u> <u>(\$ 446,442)</u>	-	-	<u>640,306</u> <u>\$ 50,289,206</u>	-	513,948	"

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

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

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 6

Expressed in thousands of NTD

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

Statement 6

PRESIDENT CHAIN STORE CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 7

Expressed in thousands of NTD

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2022

Statement 8

Expressed in thousands of NTD

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

Statement 8

PRESIDENT CHAIN STORE CORP.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2022

Statement 9

-

Expressed in thousands of NTD

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

Statement 9

PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 10

Expressed in thousands of NTD

<u>Item</u>	<u>Amount</u>	<u>Footnote</u>
Revenue from contracts with customers	<u>\$ 182,872,403</u>	Revenue are from sales of general merchandise such as food, cans, beverages and daily commodities, etc., and commission revenue from collections, etc.

PRESIDENT CHAIN STORE CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 11

Expressed in thousands of NTD

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

Statement 12

Expressed in thousands of NTD

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

PRESIDENT CHAIN STORE CORP.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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Expressed in thousands of NTD

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

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

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

For the year ended December 31, 2022, the Company's change in average wages and salaries was 7.34%.

Note3: The Company's compensation policies are set out below:

- (1) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as directors' remuneration, the ratio shall not be higher than 2%. Considering the company's operating result and the contribution of directors' continuous learning and participation in sustainable management to the company's performance, including financial benchmark such as profit of the current year, to assess and distribute reasonable remuneration. The reasonableness of the remuneration has been reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system will be adjusted and reviewed regularly according to the company's operating conditions and laws, to achieve a balance between the company's sustainable operation and risk control.
- (2) Remuneration of the president in the company is based on personal performance, including financial benchmark, such as profit of the current year, to assess their contribution to the overall operation of the company. The Company pays the salaries of president based on the Article of Incorporation of the Company and the market level of a survey report. The Company participates the survey report which is conducted by professional salary survey institutions every year. Benefits are distributed based on "Regulation for benefit and performance" and annual operating performance of the Company and personal performance.
- (3) Wages and salaries of the Company is based on the principle of equal pay for equal work. Salaries adjustment and benefit distribution are based on the content of the employee's position, performance and contribution, and regularly review the overall benefit of employees every year to ensure that the competitiveness of labor market.
- (4) According to the Article 32 of Incorporation of the Company, a ratio of distributable profit of the current year (income before income tax before covering employees and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation, the ratio shall not be lower than 2%.

Note4: The Company has set up an Audit Committee. As a result, there was no supervisors' remuneration for the years ended December 31, 2022 and 2021.

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