

**PRESIDENT CHAIN STORE CORP. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2021 AND 2020**

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2021 AND 2020  
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## INDEPENDENT AUDITORS' REVIEW REPORT

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

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of President Chain Store Corp. and subsidiaries as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

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

### ***Basis for qualified conclusion***

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$45,953,482 thousand and NT\$43,251,077 thousand, constituting 22% and 21% of the consolidated total assets, and total liabilities of NT\$31,279,969 thousand and NT\$27,829,127 thousand, constituting 18% and 18% of the consolidated total liabilities as at September 30, 2021 and 2020, respectively, and total comprehensive income of

NT(\$6,250) thousand, NT\$319,500 thousand, NT\$128,172 thousand and NT\$644,795 thousand, constituting 0%, 11%, 2% and 8% of the consolidated total comprehensive income for the three months and nine months then ended.

***Qualified conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method, been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of President Chain Store Corp. and subsidiaries as at September 30, 2021 and 2020, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

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Yi-Chang, Liang

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Se-Kai, Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

November 2, 2021

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

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Assets		Notes	September 30, 2021		December 31, 2020		September 30, 2020				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	45,105,386	21	\$	46,562,907	22	\$	47,362,652	23
1110	Financial assets at fair value	6(2)									
	through profit or loss - current			1,571,863	1		2,105,496	1		2,053,693	1
1170	Accounts receivable, net	6(3) and 7		6,119,501	3		6,215,272	3		5,539,256	3
1200	Other receivables			3,416,365	2		1,950,481	1		2,708,281	1
1220	Current income tax assets	6(32)		9,938	-		1,206	-		1,538	-
130X	Inventories	6(4)		15,369,115	7		16,636,055	8		14,709,310	7
1410	Prepayments			1,688,230	1		1,177,895	1		1,499,575	1
1470	Other current assets			3,284,895	2		3,487,082	2		3,288,095	2
11XX	Total current Assets			76,565,293	37		78,136,394	38		77,162,400	38
Non-current assets											
1510	Financial assets at fair value	6(2)									
	through profit or loss -										
	non-current			85,480	-		85,523	-		85,523	-
1517	Financial assets at fair value	6(5)									
	through other comprehensive										
	income - non-current			1,131,330	1		959,827	-		847,701	-
1550	Investments accounted for using	6(6)									
	equity method			8,554,710	4		8,921,641	4		8,844,492	5
1600	Property, plant and equipment	6(7) and 8		28,026,359	13		28,050,374	13		26,298,506	13
1755	Right-of-use assets	6(8) and 7		76,180,992	36		74,963,001	36		71,116,727	35
1760	Investment property, net	6(10) and 8		3,117,699	1		2,863,146	1		1,481,360	1
1780	Intangible assets	6(11)		9,747,272	5		9,958,198	5		9,950,390	5
1840	Deferred income tax assets	6(32)		2,105,874	1		1,988,030	1		1,942,751	1
1900	Other non-current assets	6(12) and 8		3,756,304	2		3,567,800	2		3,491,267	2
15XX	Total non-current assets			132,706,020	63		131,357,540	62		124,058,717	62
1XXX	Total assets		\$	209,271,313	100	\$	209,493,934	100	\$	201,221,117	100

(Continued)

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity			September 30, 2021		December 31, 2020		September 30, 2020	
			Notes	AMOUNT	%	AMOUNT	%	AMOUNT
Current Liabilities								
2100	Short-term borrowings	6(14)	\$ 3,279,180	2	\$ 4,739,411	2	\$ 9,254,583	5
2110	Short-term notes and bills payable	6(15)	-	-	3,399,147	2	-	-
2130	Contract liabilities - current	6(25)	6,222,565	3	5,234,797	2	5,041,610	2
2150	Notes payable	7	1,034,083	1	1,079,496	1	1,125,425	
2170	Accounts payable		20,454,324	10	22,255,284	11	23,335,856	12
2180	Accounts payable - related parties	7	2,832,172	1	2,801,552	1	2,878,851	1
2200	Other payables	6(16)	34,471,884	16	25,093,782	12	23,583,022	12
2230	Current income tax liabilities	6(32)	730,789	-	1,647,936	1	1,047,627	-
2280	Lease liabilities - current	7	12,935,755	6	12,859,557	6	12,298,518	6
2300	Other current liabilities	6(17)	4,017,850	2	3,588,870	2	3,544,364	2
21XX	Total current Liabilities		85,978,602	41	82,699,832	40	82,109,856	41
Non-current liabilities								
2527	Contract liabilities - non-current	6(25)	507,183	-	563,834	-	557,789	-
2540	Long-term borrowings	6(18) and 8	1,049,548	1	1,028,553	1	511,696	-
2570	Deferred income tax liabilities	6(32)	4,929,401	2	5,320,392	3	5,348,298	3
2580	Lease liabilities - non-current	7	66,898,275	32	65,277,459	31	60,451,839	30
2640	Net defined benefit liability - non-current	6(19)	4,904,612	2	4,969,892	2	4,759,732	3
2670	Other non-current liabilities, others	6(20)	5,090,425	3	4,656,273	2	4,536,596	2
25XX	Total non-current liabilities		83,379,444	40	81,816,403	39	76,165,950	38
2XXX	Total Liabilities		169,358,046	81	164,516,235	79	158,275,806	79
Equity attributable to owners of the parent								
	Share capital	6(21)						
3110	Share capital - common stock		10,396,223	5	10,396,223	5	10,396,223	5
	Capital surplus	6(22)						
3200	Capital surplus		85,385	-	47,628	-	46,884	-
	Retained earnings	6(23)						
3310	Legal reserve		15,379,788	7	14,369,228	7	14,369,228	7
3320	Special reserve		1,332,621	1	380,187	-	380,187	-
3350	Unappropriated retained earnings		6,409,392	3	12,159,546	6	10,020,388	5
	Other equity	6(24)						
3400	Other equity interest		( 1,831,860)	( 1)	( 1,332,621)	( 1)	( 987,405)	-
31XX	Equity attributable to owners of the parent		31,771,549	15	36,020,191	17	34,225,505	17
36XX	Non-controlling interest	6(34)	8,141,718	4	8,957,508	4	8,719,806	4
3XXX	Total equity		39,913,267	19	44,977,699	21	42,945,311	21
3X2X	Total liabilities and equity		\$ 209,271,313	100	\$ 209,493,934	100	\$ 201,221,117	100

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except earnings per share in dollars)  
(UNAUDITED)

Items		Notes	Three months ended September 30				Nine months ended September 30			
			2021		2020		2021		2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(25) and 7	\$ 65,444,164	100	\$ 67,803,926	100	\$ 194,090,761	100	\$ 192,346,204	100
5000	Operating costs	6(4)(26) and 7	( 43,814,511)	( 67)	( 44,548,591)	( 66)	( 129,148,908)	( 66)	( 126,521,659)	( 66)
5900	Gross profit		<u>21,629,653</u>	<u>33</u>	<u>23,255,335</u>	<u>34</u>	<u>64,941,853</u>	<u>34</u>	<u>65,824,545</u>	<u>34</u>
	Operating expenses	6(26)(27)								
6100	Selling expenses		( 17,070,790)	( 25)	( 17,094,300)	( 25)	( 50,358,649)	( 26)	( 49,222,762)	( 25)
6200	General and administrative expenses		( 2,129,784)	( 4)	( 2,652,826)	( 4)	( 6,886,779)	( 4)	( 7,308,452)	( 4)
6450	Expected credit losses	12(2)	( 1,364)	-	( 5,182)	-	( 31,994)	-	( 17,410)	-
6000	Total operating expenses		( 19,201,938)	( 29)	( 19,752,308)	( 29)	( 57,277,422)	( 30)	( 56,548,624)	( 29)
6900	Operating profit		<u>2,427,715</u>	<u>4</u>	<u>3,503,027</u>	<u>5</u>	<u>7,664,431</u>	<u>4</u>	<u>9,275,921</u>	<u>5</u>
	Non-operating income and expenses									
7100	Interest income	6(28)	46,138	-	110,057	-	152,804	-	425,715	-
7010	Other income	6(29)	512,021	-	484,947	1	1,458,440	1	1,424,584	1
7020	Other gains and losses	6(30)	( 38,908)	-	18,105	-	( 85,921)	-	49,319	-
7050	Finance costs	6(31)	( 290,193)	-	( 318,979)	-	( 904,873)	-	( 969,321)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>112,591</u>	<u>-</u>	<u>101,588</u>	<u>-</u>	<u>316,603</u>	<u>-</u>	<u>335,448</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>341,649</u>	<u>-</u>	<u>395,718</u>	<u>1</u>	<u>937,053</u>	<u>1</u>	<u>1,265,745</u>	<u>1</u>
7900	<b>Profit before income tax</b>		<u>2,769,364</u>	<u>4</u>	<u>3,898,745</u>	<u>6</u>	<u>8,601,484</u>	<u>5</u>	<u>10,541,666</u>	<u>6</u>
7950	Income tax expense	6(32)	( 426,431)	-	( 718,918)	( 1)	( 1,339,271)	( 1)	( 1,771,363)	( 1)
8000	<b>Profit for the period from continuing operations</b>		<u>2,342,933</u>	<u>4</u>	<u>3,179,827</u>	<u>5</u>	<u>7,262,213</u>	<u>4</u>	<u>8,770,303</u>	<u>5</u>
8200	<b>Profit for the period</b>		<u>\$ 2,342,933</u>	<u>4</u>	<u>\$ 3,179,827</u>	<u>5</u>	<u>\$ 7,262,213</u>	<u>4</u>	<u>\$ 8,770,303</u>	<u>5</u>

(Continued)

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except earnings per share in dollars)  
(UNAUDITED)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss)</b>									
8316 Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	6(5)	(\$ 107,532)	-	\$ 94,923	-	\$ 171,503	-	\$ 40,586	-
8320 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(24)	38	-	( 2,611)	-	2,156	-	( 3,152)	-
8349 Income tax related to the components of other comprehensive income that will not be reclassified to profit or loss	6(32)	( 560)	-	( 2,083)	-	8,739	-	2,669	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		( 108,054)	-	90,229	-	182,398	-	40,103	-
8361 Financial statements translation differences of foreign operations		( 193,233)	-	( 326,009)	-	( 825,126)	-	( 613,062)	-
8370 Share of other comprehensive loss of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(24)	( 5,735)	-	( 1,148)	-	( 7,580)	-	( 5,357)	-
8360 Components of other comprehensive loss that will be reclassified to profit or loss		( 198,968)	-	( 327,157)	-	( 832,706)	-	( 618,419)	-
8300 <b>Total other comprehensive loss for the period</b>		(\$ 307,022)	-	(\$ 236,928)	-	(\$ 650,308)	-	(\$ 578,316)	-
8500 <b>Total comprehensive income for the period</b>		\$ 2,035,911	4	\$ 2,942,899	5	\$ 6,611,905	4	\$ 8,191,987	5
Profit attributable to:									
8610 Owners of the parent		\$ 2,061,849	4	\$ 2,873,672	5	\$ 6,539,859	4	\$ 7,965,340	5
8620 Non-controlling interests		281,084	-	306,155	-	722,354	-	804,963	-
		\$ 2,342,933	4	\$ 3,179,827	5	\$ 7,262,213	4	\$ 8,770,303	5
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 1,832,213	4	\$ 2,613,787	5	\$ 6,040,620	4	\$ 7,358,122	5
8720 Non-controlling interests		203,698	-	329,112	-	571,285	-	833,865	-
		\$ 2,035,911	4	\$ 2,942,899	5	\$ 6,611,905	4	\$ 8,191,987	5
9750 <b>Basic earnings per share</b>	6(33)	\$ 1.98		\$ 2.76		\$ 6.29		\$ 7.66	
9850 <b>Diluted earnings per share</b>	6(33)	\$ 1.98		\$ 2.76		\$ 6.28		\$ 7.65	

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

Equity attributable to owners of the parent										

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

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

	Notes	Nine months ended September 30	
		2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Consolidated profit before income tax for the period		\$ 8,601,484	\$ 10,541,666
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Gain on valuation of financial assets at fair value	6(2)		
through profit or loss		( 3,498 )	( 7,926 )
Expected credit losses	12(2)	31,994	17,410
Depreciation expense	6(7)(8)(26)	15,193,829	14,413,001
Amortization expense	6(26)	431,447	417,591
Depreciation on investment property	6(10)(30)	115,873	12,697
Finance costs	6(31)	904,873	969,321
Share of profit of associates and joint ventures accounted for using equity method	6(6)		
		( 316,603 )	( 335,448 )
Gain on disposal of property, plant and equipment	6(30)	( 15 )	( 35,387 )
Gain on disposal of investment property	6(30)	( 22,549 )	( 2,682 )
Gain from lease modification	6(8)(30)	( 80,466 )	( 56,763 )
Interest income	6(28)	( 152,804 )	( 425,715 )
Dividend income	6(29)	( 79,968 )	( 60,312 )
Other income recognized from rent concessions	6(8)	( 112,759 )	( 100,691 )
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		537,131	( 349,467 )
Accounts receivable		66,324	251,815
Other receivables		( 1,465,171 )	( 1,258,424 )
Inventories		1,266,940	949,802
Prepayments		( 509,947 )	( 303,856 )
Other current assets		202,187	( 319,745 )
Net changes in liabilities relating to operating activities			
Contract liabilities - current		987,768	1,598,227
Accounts payable		( 1,770,663 )	2,627,012
Notes payable		( 45,413 )	( 89,277 )
Other payables		555,542	( 2,664,938 )
Advance receipts		248,859	383,338
Contract liabilities - non-current		( 56,651 )	109,541
Net defined benefit liabilities		( 65,280 )	8,125
Cash generated from operations		24,462,464	26,288,915
Interest received		152,095	436,211
Income tax paid		( 2,765,246 )	( 2,447,703 )
Interest paid		( 904,607 )	( 969,373 )
Dividend received		795,229	799,802
Net cash flows from operating activities		21,739,935	24,107,852

(Continued)

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

	Notes	Nine months ended September 30	
		2021	2020
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of investments accounted for using equity method		( \$ 2,913 )	\$ -
Acquisition of subsidiary		( 50 )	-
Acquisition of property, plant and equipment	6(35)	( 6,144,715 )	( 5,993,820 )
Proceeds from disposal of property, plant and equipment		131,700	209,784
Return of capital from financial assets at fair value through profit or loss		43	42
Proceeds from disposal of investment property		38,555	15,423
Acquisition of investment property	6(10)	( 375,606 )	-
Increase in guarantee deposits paid		( 64,380 )	( 132,937 )
Acquisition of intangible assets	6(11)	( 140,638 )	( 113,746 )
Proceeds from business combinations		7,746	-
(Increase) decrease in other non-current assets		( 29,892 )	262,573
Net cash flows used in investing activities		( 6,580,150 )	( 5,752,681 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings	6(36)	( 1,426,196 )	3,239,925
Decrease in short-term notes and bills payable	6(36)	( 3,399,147 )	-
Increase in long-term borrowings	6(36)	430,566	213,650
Repayment of long-term borrowings	6(36)	( 166,739 )	( 202,724 )
Payments of lease liabilities	6(8)(36)	( 9,264,582 )	( 8,715,296 )
Increase in guarantee deposits received	6(36)	204,463	137,049
Increase (decrease) in other non-current liabilities	6(36)	194,643	( 19,517 )
Change in non-controlling interests		23,698	( 1,794 )
Payment of cash dividends - the company	6(23)(36)	-	( 9,356,600 )
Payment of cash dividends - subsidiaries	6(36)	( 1,296,929 )	( 1,116,702 )
Acquisition of additional equity interest in a subsidiary	6(34)	( 1,083,656 )	-
Net cash flows used in financing activities		( 15,783,879 )	( 15,822,009 )
Effect of foreign exchange rate changes on cash and cash equivalents		( 833,427 )	( 615,905 )
(Decrease) Increase in cash and cash equivalents		( 1,457,521 )	1,917,257
Cash and cash equivalents at beginning of period		46,562,907	45,445,395
Cash and cash equivalents at end of period		<u>\$ 45,105,386</u>	<u>\$ 47,362,652</u>

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

Chairman: Lo, Chih-Hsien

President: Huang, Jui-Tien

Accounting Manager: Lee, Johnyih

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

- (1) President Chain Store Corporation (the “Company”) was established on June 10, 1987. The main businesses of the Company and its subsidiaries (collectively referred herein as the “Group”) are managing convenience stores, restaurants, drugstores, department stores, supermarkets and online shopping stores. Business areas include Taiwan, Mainland China, Philippines and Japan. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 22, 1997. Details of the Group’s main operating activities and segment information are provided in Notes 4 and 14.
- (2) The Group’s ultimate parent company is Uni-President Enterprises Corp., which holds a 45.4% equity interest in the Company.

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

These consolidated financial statements were reported to the Board of Directors on November 2, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation, and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2020. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting" as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2020.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligation.
- B. The preparation of financial statements, in compliance with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”), requires the use of certain critical accounting estimates and the exercise of management’s judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2020.
  - (b) The details of the individual financial statements of the Company’s subsidiaries reviewed or unreviewed by the independent auditors are summarized below:

<u>Name of the subsidiaries</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Retail Support International Corp.	Financial statements were reviewed	Financial statements were reviewed
President Chain Store (BVI) Holdings Ltd.	“	“
Shan Dong President Yinzuo Commercial Limited	“	“
Mech-President Corp.	“	“
President Transnet Corp.	“	“
President Drugstore Business Corp.	“	“
Books.com. Co., Ltd.	“	“
Uni-President Cold-Chain Corp.	“	“
President Chain Store (Hong Kong) Holdings Limited	“	“
President Pharmaceutical Corp.	“	“
Uni-Wonder Corp.	“	“
Other subsidiaries	Financial statements were unreviewed	Financial statements were unreviewed

- (c) The financial statements of the subsidiary, Philippine Seven Corp., for the year ended December 31, 2020 were audited by other independent auditors, and the financial statements of other subsidiaries were audited by the same independent auditors as that appointed by the Company.

## B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	President Chain Store (BVI) Holdings Ltd.	Professional investment	100.00	100.00	100.00	
The Company	PCSC (China) Drugstore Limited	Professional investment	92.20	92.20	92.20	
The Company	Wisdom Distribution Service Corp.	Logistics and storage of publication and e-commerce	100.00	100.00	100.00	
The Company	President Drugstore Business Corp.	Sales of cosmetics, medicine and daily items	100.00	100.00	100.00	
The Company	Ren-Hui Investment Corp.	Professional investment	100.00	100.00	100.00	
The Company	Capital Marketing Consultant Corp.	Enterprise management consultancy	100.00	100.00	100.00	
The Company	President Lanyang Art Corporation	Art and cultural exhibition	100.00	100.00	100.00	
The Company	Cold Stone Creamery Taiwan Ltd.	Sales of ice cream	100.00	100.00	100.00	
The Company	President Chain Store Corporation Insurance Brokers Co., Ltd.	Insurance brokers	100.00	100.00	100.00	
The Company	21 Century Co., Ltd.	Operation of chain restaurants	100.00	100.00	100.00	
The Company	President Being Corp.	Sports and entertainment business	100.00	100.00	100.00	
The Company	Uni-President Oven Bakery Corp.	Bread and pastry retailer	100.00	100.00	100.00	
The Company	President Chain Store Tokyo Marketing Corp.	Trade and enterprise management consultancy	100.00	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing and electronic payment	100.00	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Fresh food manufacture	90.00	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software services	86.76	86.76	86.76	
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	86.00	
The Company	Mech-President Corp.	Gas station, installment and maintenance of elevators	80.87	80.87	80.87	
The Company	President Pharmaceutical Corp.	Sales of various health care products, cosmetics, and pharmaceuticals	73.74	73.74	73.74	
The Company	President Collect Service Corp.	Collection agent	70.00	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature logistics and warehousing	60.00	60.00	60.00	
The Company	Uni-Wonder Corp.	Coffee chain store	60.00	60.00	60.00	
The Company	Duskin Serve Taiwan Co., Ltd.	Cleaning instruments leasing and selling	51.00	51.00	51.00	
The Company	Books.com. Co., Ltd.	Retail business without shop	50.03	50.03	50.03	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	Retail Support International Corp.	Room-temperature logistics and warehousing	25.00	25.00	25.00	(a)
The Company	Connection Labs Ltd.	Other software and internet-related	100.00	-	-	(b)
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Professional investment	100.00	100.00	100.00	
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Professional investment	100.00	100.00	100.00	
PCSC (China) Drugstore Limited	President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	100.00	100.00	100.00	
Wisdom Distribution Service Corp.	President Logistics International Corp.	Trucking	20.00	20.00	20.00	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Trucking	25.00	25.00	25.00	
Uni-President Cold-Chain Corp.	Uni-President Logistics (BVI) Holdings Limited	Professional investment	100.00	100.00	100.00	
Retail Support International Corp.	Retail Support Taiwan Corp.	Room-temperature logistics and warehousing	51.00	51.00	51.00	
Retail Support International Corp.	President Logistics International Corp.	Trucking	49.00	49.00	49.00	
Retail Support Taiwan Corp.	President Logistics International Corp.	Trucking	6.00	6.00	6.00	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Trucking	100.00	100.00	100.00	
Mech-President Corp.	Tong Ching Corporation	Gas station	60.00	60.00	60.00	
President Pharmaceutical Corp.	President Pharmaceutical (Hong Kong) Holdings Limited	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	100.00	
President Pharmaceutical (Hong Kong) Holdings Limited	President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	100.00	100.00	100.00	
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corporation	Convenience store	54.88	52.22	52.22	(c)
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics, warehousing and retail	100.00	100.00	100.00	
Philippine Seven Corporation	Store Sites Holding, Inc.	Professional investment	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	Professional investment	7.80	7.80	7.80	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Shanghai) Ltd.	Convenience store	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistics Co., Ltd.	Logistics and warehousing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai Cold Stone Ice Cream Corporation Ltd.	Sales of ice cream	-	-	100.00	(d)
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Convenience store	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Beauty Wonder (Zhejiang) Trading Co., Ltd.	Sales of cosmetics and medicine	100.00	100.00	100.00	
Shanghai President Logistics Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	50.00	
Shanghai President Logistics Co., Ltd.	President Logistic ShanDong Co., Ltd.	Logistics and warehousing	100.00	100.00	100.00	
Uni-President Logistics (BVI) Holdings Limited	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	50.00	50.00	50.00	
Ren-Hui Investment Corp.	Ren Hui Holding Co., Ltd.	Professional investment	100.00	100.00	100.00	
Ren-Hui Holdings Co., Ltd.	Shan Dong President Yinzuo Commercial Limited	Supermarkets	15.00	15.00	15.00	

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

(b) The Company acquired an additional 70.87% shares of Connection Labs Ltd., in June 2021, having control over it.

(c) The Company acquired an additional 2.66% shares of the subsidiary, Philippine Seven Corp., in February and September 2021. Please refer to Note 6(34).

(d) The Company liquidated the subsidiary, Shanghai Cold Stone Ice Cream Corporation Ltd. and the process of cancellation of registration has been completed in November 2020.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

Defined benefit plans

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

(5) Income tax

- A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

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

There have been no significant changes during the period. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash on hand and petty cash	\$ 1,355,401	\$ 2,049,148	\$ 1,675,205
Checking accounts and demand deposits	15,284,975	12,354,395	13,330,741
Cash equivalents			
Time deposits	22,819,290	25,950,720	25,034,086
Short-term financial instruments	5,645,720	6,208,644	7,322,620
	<u>\$ 45,105,386</u>	<u>\$ 46,562,907</u>	<u>\$ 47,362,652</u>

- A. The Group transacts with a variety of financial institutions, all with high credit quality, to disperse credit risk, so it considers the probability of counterparty default as remote.
- B. Information about time deposits provided as security for performance guarantees and reclassified as “Other non-current assets – guarantee deposits paid” is provided in Note 8.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss			
<u>Current items:</u>			
Beneficiary certificates	\$ 1,571,354	\$ 2,105,429	\$ 2,052,937
Valuation adjustment	509	67	756
	<u>\$ 1,571,863</u>	<u>\$ 2,105,496</u>	<u>\$ 2,053,693</u>
<u>Non-current items:</u>			
Unlisted stocks	\$ 275,200	\$ 275,243	\$ 275,243
Valuation adjustment	( 189,720)	( 189,720)	( 189,720)
	<u>\$ 85,480</u>	<u>\$ 85,523</u>	<u>\$ 85,523</u>

- A. The Group recognized net profit of \$22,172 and \$26,054 in relation to financial assets at fair value through profit or loss for the nine months ended September 30, 2021 and 2020, respectively.
- B. No financial assets at fair value through profit or loss of the Group were pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

(3) Accounts receivable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts receivable	\$ 6,240,989	\$ 6,322,757	\$ 5,603,836
Less: Allowance for doubtful accounts	( 121,488)	( 107,485)	( 64,580)
	<u>\$ 6,119,501</u>	<u>\$ 6,215,272</u>	<u>\$ 5,539,256</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Not past due	\$ 6,126,965	\$ 6,228,821	\$ 5,372,664
Up to 90 days	107,052	91,138	219,922
91 to 180 days	5,109	1,371	8,841
181 to 365 days	1,730	223	2,409
Over 365 days	133	1,204	-
	<u>\$ 6,240,989</u>	<u>\$ 6,322,757</u>	<u>\$ 5,603,836</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2021, December 31, 2020 and September 30, 2020, accounts receivable was all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$5,808,480.
- C. As at September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$6,119,501, \$6,215,272 and \$5,539,256, respectively.
- D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

September 30, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 87,774	\$ -	\$ 87,774
Merchandise and finished goods	15,376,581	( 95,240)	15,281,341
	<u>\$ 15,464,355</u>	<u>(\$ 95,240)</u>	<u>\$ 15,369,115</u>
December 31, 2020			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 75,715	\$ -	\$ 75,715
Merchandise and finished goods	16,648,109	( 87,769)	16,560,340
	<u>\$ 16,723,824</u>	<u>(\$ 87,769)</u>	<u>\$ 16,636,055</u>
September 30, 2020			
	Cost	Allowance for valuation loss	Book value
Raw materials and work in process	\$ 77,153	\$ -	\$ 77,153
Merchandise and finished goods	14,717,348	( 85,191)	14,632,157
	<u>\$ 14,794,501</u>	<u>(\$ 85,191)</u>	<u>\$ 14,709,310</u>

The cost of inventories recognized as expense for the period:

	Three months ended September 30, 2021	Three months ended September 30, 2020
Cost of goods sold and service costs	\$ 43,237,184	\$ 43,993,997
Loss on valuation (gain on reversal) of inventories	4,562 (	288)
Spoilage	448,099	468,694
Others	124,666	86,188
	<u>\$ 43,814,511</u>	<u>\$ 44,548,591</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cost of goods sold and service costs	\$ 127,405,034	\$ 124,710,217
Loss on valuation (gain on reversal) of inventories	7,471 (	39,350)
Spoilage	1,488,919	1,613,232
Others	247,484	237,560
	<u>\$ 129,148,908</u>	<u>\$ 126,521,659</u>

The Group reversed a previous inventory write-down because the Group sold and scrapped certain inventories which were previously provided with allowance for the three months and nine months ended September 30, 2020.

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Equity instruments</u>			
Listed stocks	\$ 265,606	\$ 265,606	\$ 265,606
Unlisted stocks	4,348	4,348	4,348
	<u>269,954</u>	<u>269,954</u>	<u>269,954</u>
Valuation adjustment	861,376	689,873	577,747
	<u>\$ 1,131,330</u>	<u>\$ 959,827</u>	<u>\$ 847,701</u>

- A. The Group has elected to classify the listed and unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,131,330, \$959,827 and \$847,701 as at September 30, 2021, December 31, 2020 and September 30, 2020, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 107,532)	\$ 94,923
Dividend income recognized in profit or loss	<u>\$ 58,479</u>	<u>\$ -</u>
	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 171,503	\$ 40,586
Dividend income recognized in profit or loss	<u>\$ 61,294</u>	<u>\$ 42,184</u>

- C. As at September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$1,131,330, \$959,827 and \$847,701, respectively.
- D. No financial assets at fair value through other comprehensive income of the Group were pledged to others.
- E. Information relating to credit risk is provided in Note 12(2).

(6) Investments accounted for using the equity method

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Associates</u>			
PresiCarre Corp.	\$ 5,047,364	\$ 5,434,309	\$ 5,390,163
President Fair Development Corp.	2,102,066	2,084,800	2,070,274
Uni-President Development Corp.	757,546	757,759	749,034
President International Development Corp.	448,125	445,096	449,069
Uni-President Organics Corp.	44,831	42,447	40,938
Tung Ho Development Corp.	60,002	33,133	34,751
President Technology Corp.	22,389	25,543	20,274
	<u>8,482,323</u>	<u>8,823,087</u>	<u>8,754,503</u>
<u>Joint ventures</u>			
Mister Donut Taiwan Co., Ltd.	\$ 72,387	\$ 98,554	\$ 89,989
	<u>\$ 8,554,710</u>	<u>\$ 8,921,641</u>	<u>\$ 8,844,492</u>

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

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

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
Total comprehensive income	<u>\$ 103,071</u>	<u>\$ 91,668</u>
	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
Total comprehensive income	<u>\$ 327,216</u>	<u>\$ 324,248</u>

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

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
Total comprehensive (loss) income	<u>\$ 3,823</u>	<u>\$ 6,161</u>
	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
Total comprehensive (loss) income	<u>(\$ 16,037)</u>	<u>\$ 2,691</u>

(7) Property, plant and equipment

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

	2021						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,927,827	\$ 4,891,097	\$ 6,993,321	\$ 24,307,493	\$ 20,386,864	\$ 11,989,504	\$ 71,496,106
Accumulated depreciation and impairment	( 16,367)	( 2,461,641)	( 4,811,241)	( 15,151,390)	( 13,136,753)	( 7,868,340)	( 43,445,732)
	<u>\$ 2,911,460</u>	<u>\$ 2,429,456</u>	<u>\$ 2,182,080</u>	<u>\$ 9,156,103</u>	<u>\$ 7,250,111</u>	<u>\$ 4,121,164</u>	<u>\$ 28,050,374</u>
Opening net book amount as of January 1	\$ 2,911,460	\$ 2,429,456	\$ 2,182,080	\$ 9,156,103	\$ 7,250,111	\$ 4,121,164	\$ 28,050,374
Additions	-	16,630	164,948	2,523,223	1,805,518	1,127,031	5,637,350
Acquired through business combinations	-	-	-	1,644	-	-	1,644
Disposals	( 4,200)	( 3,733)	( 14,628)	( 21,282)	( 86,812)	( 1,030)	( 131,685)
Transfer	( 10,201)	2,578	214,986	172,071	85,001	( 506,837)	( 42,402)
Depreciation charge	-	( 144,544)	( 374,976)	( 2,068,984)	( 1,621,263)	( 1,001,285)	( 5,211,052)
Net exchange differences	( 1,874)	( 2,735)	( 1,744)	( 4,760)	( 79,960)	( 186,797)	( 277,870)
Closing net book amount as of September 30	<u>\$ 2,895,185</u>	<u>\$ 2,297,652</u>	<u>\$ 2,170,666</u>	<u>\$ 9,758,015</u>	<u>\$ 7,352,595</u>	<u>\$ 3,552,246</u>	<u>\$ 28,026,359</u>
At September 30							
Cost	\$ 2,899,117	\$ 4,891,576	\$ 7,175,155	\$ 25,792,737	\$ 21,270,618	\$ 11,464,205	\$ 73,493,408
Accumulated depreciation and impairment	( 3,932)	( 2,593,924)	( 5,004,489)	( 16,034,722)	( 13,918,023)	( 7,911,959)	( 45,467,049)
	<u>\$ 2,895,185</u>	<u>\$ 2,297,652</u>	<u>\$ 2,170,666</u>	<u>\$ 9,758,015</u>	<u>\$ 7,352,595</u>	<u>\$ 3,552,246</u>	<u>\$ 28,026,359</u>

	2020						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
At January 1							
Cost	\$ 2,254,656	\$ 4,788,540	\$ 6,648,230	\$ 22,280,204	\$ 19,092,068	\$ 10,972,281	\$ 66,035,979
Accumulated depreciation and impairment	( 16,367)	( 2,182,810)	( 4,554,359)	( 14,479,044)	( 12,277,549)	( 6,507,528)	( 40,017,657)
	<u>\$ 2,238,289</u>	<u>\$ 2,605,730</u>	<u>\$ 2,093,871</u>	<u>\$ 7,801,160</u>	<u>\$ 6,814,519</u>	<u>\$ 4,464,753</u>	<u>\$ 26,018,322</u>
Opening net book amount as of January 1	\$ 2,238,289	\$ 2,605,730	\$ 2,093,871	\$ 7,801,160	\$ 6,814,519	\$ 4,464,753	\$ 26,018,322
Additions	30,208	1,555	321,340	2,329,900	1,673,101	1,059,683	5,415,787
Disposals	-	-	( 6,704)	( 30,123)	( 134,027)	( 3,543)	( 174,397)
Transfer	-	1,138	154,148	148,476	134,757	( 450,824)	( 12,305)
Depreciation charge	-	( 150,462)	( 378,804)	( 1,806,159)	( 1,583,904)	( 1,080,705)	( 5,000,034)
Net exchange differences	331	( 358)	( 90)	( 2,479)	16,412	37,317	51,133
Closing net book amount as of September 30	<u>\$ 2,268,828</u>	<u>\$ 2,457,603</u>	<u>\$ 2,183,761</u>	<u>\$ 8,440,775</u>	<u>\$ 6,920,858</u>	<u>\$ 4,026,681</u>	<u>\$ 26,298,506</u>
At September 30							
Cost	\$ 2,285,195	\$ 4,791,672	\$ 6,926,333	\$ 23,536,962	\$ 20,237,612	\$ 11,630,393	\$ 69,408,167
Accumulated depreciation and impairment	( 16,367)	( 2,334,069)	( 4,742,572)	( 15,096,187)	( 13,316,754)	( 7,603,712)	( 43,109,661)
	<u>\$ 2,268,828</u>	<u>\$ 2,457,603</u>	<u>\$ 2,183,761</u>	<u>\$ 8,440,775</u>	<u>\$ 6,920,858</u>	<u>\$ 4,026,681</u>	<u>\$ 26,298,506</u>

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

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

(8) Leasing arrangements — lessee

A. The Group leases various assets including land, buildings, transportation equipment, etc. Rental contracts are typically made for periods of 1 to 41 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 836,606	\$ 856,263	\$ 590,542
Buildings	75,264,400	73,986,497	70,413,107
Machinery and equipment	17,571	38,785	46,448
Other equipment	62,415	81,456	66,630
	<u>\$ 76,180,992</u>	<u>\$ 74,963,001</u>	<u>\$ 71,116,727</u>

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 36,309	\$ 36,124
Buildings	3,327,964	3,137,699
Machinery and equipment	4,325	8,127
Other equipment	8,831	7,457
	<u>\$ 3,377,429</u>	<u>\$ 3,189,407</u>

	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 108,036	\$ 107,748
Buildings	9,831,284	9,259,173
Machinery and equipment	15,697	25,763
Other equipment	27,760	20,283
	<u>\$ 9,982,777</u>	<u>\$ 9,412,967</u>

C. For the three months and nine months ended September 30, 2021 and 2020, the additions to right-of-use assets were \$4,568,718, \$5,408,470, \$13,592,001 and \$14,253,532, respectively.

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

	Three months ended September 30, 2021	Three months ended September 30, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 252,032	\$ 282,397
Expense on short-term lease contracts	94,236	108,356
Expense on leases of low-value assets	29,754	15,534
Expense on variable lease payments	69,046	145,537
Gain on sublease of right-of-use assets	117,336	138,038
Gain from lease modification	28,411	16,838

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 792,484	\$ 853,256
Expense on short-term lease contracts	268,951	332,928
Expense on leases of low-value assets	89,505	46,217
Expense on variable lease payments	300,519	383,501
Gain on sublease of right-of-use assets	387,310	402,032
Gain from lease modification	80,466	56,763

E. For the nine months ended September 30, 2021 and 2020, the Group's total cash outflow for leases were \$10,716,041 and \$10,331,198, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or department store counter. For the above-mentioned stores, up to 2.63% and 3.48% of lease payments as at September 30, 2021 and 2020, respectively, are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$3,005 and \$3,835 for the nine months ended September 30, 2021 and 2020, respectively.

G. The Group's leases not yet commenced to which the lessee is committed are business premises for the lessees, and the lease liabilities undiscounted as at September 30, 2021, December 31, 2020 and September 30, 2020 amounted to \$3,652,342, \$2,773,378 and \$2,497,726, respectively.

H. The Group has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions as other income for the three months and nine months ended September 30, 2021 and 2020, amounting to \$75,158, \$50,753, \$112,759 and \$100,691, respectively.

(9) Leasing arrangements – lessor

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

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

	Three months ended September 30, 2021	Three months ended September 30, 2020
Rental revenue	\$ 298,288	\$ 455,593
Rental revenue from variable lease payments	\$ 219,848	\$ 365,894
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Rental revenue	\$ 986,661	\$ 1,127,348
Rental revenue from variable lease payments	\$ 721,710	\$ 864,161

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

	September 30, 2021	December 31, 2020	September 30, 2020
Current year	\$ 59,205	\$ -	\$ 68,820
Within 1 year	223,155	275,631	238,730
1~2 years	176,911	211,129	175,378
2~3 years	87,541	145,147	116,812
3~4 years	70,910	71,577	67,646
4~5 years	51,491	59,022	55,669
Over 5 years	104,791	135,472	124,807
	<u>\$ 774,004</u>	<u>\$ 897,978</u>	<u>\$ 847,862</u>

(10) Investment property

2021				
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,074,308	\$ 403,098	\$ 1,385,740	\$ 2,863,146
Additions	325,221	50,385	-	375,606
Disposals	( 9,119)	( 6,887)	-	( 16,006)
Transfer	10,201	625	-	10,826
Depreciation charge	-	( 11,942)	( 103,931)	( 115,873)
At September 30	<u>\$ 1,400,611</u>	<u>\$ 435,279</u>	<u>\$ 1,281,809</u>	<u>\$ 3,117,699</u>
2020				
	Land	Buildings	Right-of-use assets	Total
At January 1	\$ 1,078,295	\$ 428,503	\$ -	\$ 1,506,798
Disposals	( 3,987)	( 8,754)	-	( 12,741)
Depreciation charge	-	( 12,697)	-	( 12,697)
At September 30	<u>\$ 1,074,308</u>	<u>\$ 407,052</u>	<u>\$ -</u>	<u>\$ 1,481,360</u>

A. The fair value of the investment property held by the Group ranged from \$4,113,896 to \$5,771,073 as at September 30, 2021, December 31, 2020, and September 30, 2020, which was assessed based on recent settlement prices of similar and comparable properties, as well as the

reports of independent appraisers. Valuations were made using the comparison approach and income approach which is categorized within level 3 in the fair value hierarchy. Key assumptions are discount rate between 0.8% to 2.39% and growth rate 3%.

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

(11) Intangible assets

	2021				
			License agreement and customer list	Others	Total
	Software	Goodwill			
At January 1					
Cost	\$2,038,224	\$2,200,153	\$ 7,524,890	\$540,225	\$12,303,492
Accumulated amortization and impairment	( 1,576,683)	-	( 582,478)	( 186,133)	( 2,345,294)
	<u>\$ 461,541</u>	<u>\$2,200,153</u>	<u>\$ 6,942,412</u>	<u>\$354,092</u>	<u>\$ 9,958,198</u>
Opening net book amount as of January 1	\$ 461,541	\$2,200,153	\$ 6,942,412	\$354,092	\$ 9,958,198
Additions	135,271	-	-	5,367	140,638
Acquired through business combinations	3,792	-	-	-	3,792
Transfer	5,612	-	-	( 1,572)	4,040
Amortization expense	( 166,968)	-	( 145,619)	( 40,617)	( 353,204)
Net exchange differences	( 5,028)	( 1,164)	-	-	( 6,192)
Closing net book amount as of September 30	<u>\$ 434,220</u>	<u>\$2,198,989</u>	<u>\$ 6,796,793</u>	<u>\$317,270</u>	<u>\$ 9,747,272</u>
At September 30					
Cost	\$2,154,181	\$2,198,989	\$ 7,524,890	\$543,041	\$12,421,101
Accumulated amortization and impairment	( 1,719,961)	-	( 728,097)	( 225,771)	( 2,673,829)
	<u>\$ 434,220</u>	<u>\$2,198,989</u>	<u>\$ 6,796,793</u>	<u>\$317,270</u>	<u>\$ 9,747,272</u>

	2020				
	License agreement and				
	Software	Goodwill	customer list	Others	Total
At January 1					
Cost	\$1,853,119	\$2,202,925	\$ 7,524,890	\$493,171	\$12,074,105
Accumulated amortization and impairment	( 1,375,833)	-	( 388,319)	( 138,511)	( 1,902,663)
	<u>\$ 477,286</u>	<u>\$2,202,925</u>	<u>\$ 7,136,571</u>	<u>\$354,660</u>	<u>\$10,171,442</u>
Opening net book amount as of January 1	\$ 477,286	\$2,202,925	\$ 7,136,571	\$354,660	\$10,171,442
Additions	74,951	-	-	38,795	113,746
Transfer	4,992	-	-	( 1,373)	3,619
Amortization expense	( 156,379)	-	( 145,619)	( 36,677)	( 338,675)
Net exchange differences	( 519)	( 1,626)	-	2,403	258
Closing net book amount as of September 30	<u>\$ 400,331</u>	<u>\$2,201,299</u>	<u>\$ 6,990,952</u>	<u>\$357,808</u>	<u>\$ 9,950,390</u>
At September 30					
Cost	\$1,922,635	\$2,201,299	\$ 7,524,890	\$530,592	\$12,179,416
Accumulated amortization and impairment	( 1,522,304)	-	( 533,938)	( 172,784)	( 2,229,026)
	<u>\$ 400,331</u>	<u>\$2,201,299</u>	<u>\$ 6,990,952</u>	<u>\$357,808</u>	<u>\$ 9,950,390</u>

Amortization expense on intangible assets are recognized as operating expenses.

(12) Other non-current assets

	September 30, 2021	December 31, 2020	September 30, 2020
Guarantee deposits paid	\$ 3,171,370	\$ 3,106,790	\$ 3,044,824
Others	584,934	461,010	446,443
	<u>\$ 3,756,304</u>	<u>\$ 3,567,800</u>	<u>\$ 3,491,267</u>

(13) Impairment of non-financial assets

- A. There were neither impairment loss nor reversal of impairment loss recognized for the nine months ended September 30, 2021 and 2020.
- B. The Group performs impairment testing annually. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount calculated using the value-in-use exceeded their carrying amount for the quarter ended December 31, 2020, so goodwill was not impaired. The key assumptions used for value-in-use calculations is provided in Note 6(13) in the consolidated financial statements for the year ended December 31, 2020.

(14) Short-term borrowings

Type of borrowings	September 30, 2021	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 3,279,180	0.73%~3.465%	None
Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 4,739,411	0.49%~4.875%	None
Type of borrowings	September 30, 2020	Interest rate range	Collateral
Bank borrowings			
Credit loan	\$ 9,254,583	0.52%~5.00%	None

There was no capitalization of borrowing costs for the nine months ended September 30, 2021 and 2020. Relevant interest expense on borrowings is recognized as “finance costs”.

(15) Short-term notes and bills payable

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

A. There was no commercial papers payable at September 30, 2021 and 2020.

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

(16) Other payables

	September 30, 2021	December 31, 2020	September 30, 2020
Store collections	\$ 11,848,080	\$ 10,519,829	\$ 10,502,864
Dividend payable	9,356,600	-	-
Wages, salaries and bonus payable	4,982,788	4,958,514	5,085,612
Sales receipt on behalf of others	1,365,130	1,617,261	1,447,000
Incentive bonus payable to franchisees	1,088,920	934,922	1,002,501
Payables for acquisition of property, plant and equipment	847,754	1,355,119	786,337
Employees' compensation and remuneration for directors and supervisors	551,472	852,461	660,464
Payables for labor and health insurance	272,657	252,313	251,087
Rent payable	59,866	62,477	62,955
Others	4,098,617	4,540,886	3,784,202
	\$ 34,471,884	\$ 25,093,782	\$ 23,583,022

(17) Other current liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Advance receipts for gift certificates	\$ 1,456,675	\$ 1,489,185	\$ 1,457,476
Advance receipts of deposits	1,717,287	1,474,937	1,444,859
Current portion of long-term liabilities	471,695	291,575	233,323
Others	372,193	333,173	408,706
	<u>\$ 4,017,850</u>	<u>\$ 3,588,870</u>	<u>\$ 3,544,364</u>

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2021</u>
Long-term bank borrowings			
Credit loan	3.875%~5.30%	None	\$ 901,957
Secured borrowings	1.46%~1.72%	Property, plant and equipment	619,286
			1,521,243
Less: Current portion			( 471,695)
			<u>\$ 1,049,548</u>

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

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2020</u>
Long-term bank borrowings			
Credit loan	4.875%	None	\$ 221,354
Secured borrowings	1.44% ~ 1.75%	Property, plant and equipment	523,665
			745,019
Less: Current portion			( 233,323)
			<u>\$ 511,696</u>

There was no capitalization of borrowing costs for the nine months ended September 30, 2021 and 2020. Relevant interest expense on borrowings is recognized as “finance costs”.

(19) Pensions

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

For the aforementioned pension plan, the Group recognized pension costs of \$28,058, \$32,890, \$86,134 and \$98,722 for the three months and nine months ended September 30, 2021 and 2020, respectively.

- B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (a) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the nine months ended September 30, 2021 and 2020 were 14%~20%. Other than the monthly contributions, the Group has no further obligations.
- (b) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2021 and 2020 were \$247,659, \$234,756, \$747,797 and \$696,628, respectively.

(20) Other non-current liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Guarantee deposit received	\$ 3,971,981	\$ 3,784,654	\$ 3,697,534
Provision for decommissioning liability	628,588	576,406	558,951
Others	489,856	295,213	280,111
	<u>\$ 5,090,425</u>	<u>\$ 4,656,273</u>	<u>\$ 4,536,596</u>

(21) Share capital

As of September 30, 2021, the Company's authorized capital was \$10,500,000, consisting of 1,050,000,000 shares of ordinary stock, and the paid-in capital was \$10,396,223 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's outstanding ordinary shares was both 1,039,622,255 as of September 30, 2021 and January 1, 2021.

(22) Capital surplus

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

(23) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as a legal reserve. The Company may then set aside or reserve a certain amount as special reserve according to the relevant regulations. The appropriation of the remaining earnings and prior years' unappropriated retained earnings should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%~100% of the total distributable amount, and 50%~100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2020 and 2019 were resolved by the shareholders on July 16, 2021 and June 17, 2020, respectively, as follows:

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

(24) Other equity items

	2021		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 1,973,268)	\$ 640,647	(\$ 1,332,621)
Revaluation and transfer			
– Group	-	171,503	171,503
– Associates	-	2,877	2,877
Revaluation-tax	-	8,739	8,739
Currency translation differences:			
– Group	( 674,057)	-	( 674,057)
– Associates	( 8,301)	-	( 8,301)
At September 30	(\$ 2,655,626)	\$ 823,766	(\$ 1,831,860)

  

	2020		
	Financial statements translation differences of foreign operations	Unrealized gains (or loss) on valuation of financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 869,908)	\$ 489,721	(\$ 380,187)
Revaluation and transfer			
– Group	-	40,586	40,586
– Associates	-	( 5,666)	( 5,666)
Revaluation-tax	-	2,669	2,669
Currency translation differences:			
– Group	( 641,964)	-	( 641,964)
– Associates	( 2,843)	-	( 2,843)
At September 30	(\$ 1,514,715)	\$ 527,310	(\$ 987,405)

(25) Operating revenue

	Three months ended September 30, 2021	Three months ended September 30, 2020
Revenue from contracts with customers	\$ 65,444,164	\$ 67,803,926
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue from contracts with customers	\$ 194,090,761	\$ 192,346,204

A. Disaggregation of revenue from contracts with customers

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

Three months ended September 30, 2021	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 41,121,814	\$ 14,744,771	\$ 3,581	\$ 4,816,270	\$ 60,686,436
– Over time	194,416	3,770,688	510,038	282,586	4,757,728
	<u>\$ 41,316,230</u>	<u>\$ 18,515,459</u>	<u>\$ 513,619</u>	<u>\$ 5,098,856</u>	<u>\$ 65,444,164</u>
Three months ended September 30, 2020	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 44,256,994	\$ 13,704,207	\$ 196,355	\$ 5,206,180	\$ 63,363,736
– Over time	225,911	3,713,568	337,353	163,358	4,440,190
	<u>\$ 44,482,905</u>	<u>\$ 17,417,775</u>	<u>\$ 533,708</u>	<u>\$ 5,369,538</u>	<u>\$ 67,803,926</u>
Nine months ended September 30, 2021	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 123,480,925	\$ 42,599,727	\$ 10,049	\$ 14,107,493	\$ 180,198,194
– Over time	612,281	10,952,255	1,553,016	775,015	13,892,567
	<u>\$ 124,093,206</u>	<u>\$ 53,551,982</u>	<u>\$ 1,563,065</u>	<u>\$ 14,882,508</u>	<u>\$ 194,090,761</u>
Nine months ended September 30, 2020	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
– At a point in time	\$ 124,226,167	\$ 40,465,114	\$ 535,504	\$ 14,205,248	\$ 179,432,033
– Over time	609,417	10,694,344	1,046,741	563,669	12,914,171
	<u>\$ 124,835,584</u>	<u>\$ 51,159,458</u>	<u>\$ 1,582,245</u>	<u>\$ 14,768,917</u>	<u>\$ 192,346,204</u>

B. Contract liabilities

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

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Contract liabilities – advance receipts of gift certificates and gift payments	\$ 4,166,528	\$ 3,430,999	\$ 3,304,218	\$ 1,786,894
Contract liabilities – customer loyalty programs	990,314	807,168	722,913	503,861
Contract liabilities – members' deposits	827,975	804,373	813,595	793,115
Contract liabilities – franchise fee	405,065	429,578	436,290	444,470
Contract liabilities – others	339,866	326,513	322,383	363,291
	<u>\$ 6,729,748</u>	<u>\$ 5,798,631</u>	<u>\$ 5,599,399</u>	<u>\$ 3,891,631</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$3,805,845 and \$1,968,886 for the nine months ended September 30, 2021 and 2020, respectively.

(26) Expenses by nature

	Three months ended September 30, 2021	Three months ended September 30, 2020
Net cost of goods sold	\$ 38,601,474	\$ 39,803,225
Employee benefit expenses	6,317,101	6,604,003
Incentive bonuses for franchisees	5,680,010	6,065,625
Depreciation and amortization	5,267,260	5,046,603
Utilities expenses	1,197,282	998,934
Operating lease payments	193,036	269,427
Other costs and expenses	5,760,286	5,513,082
Total operating costs and operating expenses	<u>\$ 63,016,449</u>	<u>\$ 64,300,899</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Net cost of goods sold	\$ 113,976,770	\$ 112,772,264
Employee benefit expenses	19,611,640	19,498,686
Incentive bonuses for franchisees	16,514,152	17,020,733
Depreciation and amortization	15,625,276	14,830,592
Utilities expenses	3,263,285	3,180,362
Operating lease payments	658,975	762,646
Other costs and expenses	16,776,232	15,005,000
Total operating costs and operating expenses	<u>\$ 186,426,330</u>	<u>\$ 183,070,283</u>

(27) Employee benefit expense

	Three months ended September 30, 2021	Three months ended September 30, 2020
Wages and salaries	\$ 5,133,872	\$ 5,463,903
Labor and health insurance fees	520,201	475,648
Pension costs	275,717	267,646
Other personnel expenses	387,311	396,806
	<u>\$ 6,317,101</u>	<u>\$ 6,604,003</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Wages and salaries	\$ 16,016,903	\$ 16,110,915
Labor and health insurance fees	1,623,191	1,448,261
Pension costs	833,931	795,350
Other personnel expenses	1,137,615	1,144,160
	<u>\$ 19,611,640</u>	<u>\$ 19,498,686</u>

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

B. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation was accrued at \$102,945, \$155,006, \$332,390 and \$420,693, respectively; while directors' remuneration was accrued at \$34,393, \$51,787, \$111,050 and \$140,552, respectively.

The employees' compensation and directors' remuneration were estimated and accrued based on 4.37% and 1.46% of distributable profit of the current period for the nine months ended September 30, 2021, respectively.

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

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

(28) Interest income

	Three months ended September 30, 2021	Three months ended September 30, 2020
Interest income	\$ 46,138	\$ 110,057
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Interest income	\$ 152,804	\$ 425,715

(29) Other income

	Three months ended September 30, 2021	Three months ended September 30, 2020
Grants income	\$ 134,207	\$ 190,913
Rental revenue	64,587	72,331
Dividend income	77,153	-
Others	236,074	221,703
	<u>\$ 512,021</u>	<u>\$ 484,947</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Grants income	\$ 552,638	\$ 535,707
Rental revenue	207,499	211,556
Dividend income	79,968	60,312
Others	618,335	617,009
	<u>\$ 1,458,440</u>	<u>\$ 1,424,584</u>

(30) Other gains and losses

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
Depreciation of investment property	(\$ 38,687)	(\$ 4,200)
Gain from lease modification	28,411	16,838
Gain on disposal of investment property	-	2,682
(Loss) gain on disposal of property, plant and equipment	( 12,665)	19,636
Other gains and losses	( 15,967)	( 16,851)
	<u>(\$ 38,908)</u>	<u>\$ 18,105</u>
	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
Depreciation of investment property	(\$ 115,873)	(\$ 12,697)
Gain from lease modification	80,466	56,763
Gain on disposal of investment property	22,549	2,682
(Loss) gain on disposal of property, plant and equipment	15	35,387
Other gains and losses	( 73,078)	( 32,816)
	<u>(\$ 85,921)</u>	<u>\$ 49,319</u>

(31) Finance costs

	<u>Three months ended September 30, 2021</u>	<u>Three months ended September 30, 2020</u>
Interest expense on lease liabilities	\$ 252,032	\$ 282,397
Financial expense, others	38,161	36,582
	<u>\$ 290,193</u>	<u>\$ 318,979</u>
	<u>Nine months ended September 30, 2021</u>	<u>Nine months ended September 30, 2020</u>
Interest expense on lease liabilities	\$ 792,484	\$ 853,256
Financial expense, others	112,389	116,065
	<u>\$ 904,873</u>	<u>\$ 969,321</u>

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30, 2021	Three months ended September 30, 2020
Current tax:		
Current tax on profit for the period	\$ 568,894	\$ 872,560
(Over) under provision of prior year's income tax	( 33,185)	1,130
Total current tax	<u>535,709</u>	<u>873,690</u>
Deferred tax:		
Origination and reversal of temporary differences	( 109,278)	( 154,772)
Income tax expense	<u>\$ 426,431</u>	<u>\$ 718,918</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Current tax:		
Current tax on profit for the period	\$ 1,871,993	\$ 2,287,082
(Over) under provision of prior year's income tax	( 32,626)	( 203,623)
Total current tax	<u>1,839,367</u>	<u>2,083,459</u>
Deferred tax:		
Origination and reversal of temporary differences	( 500,096)	( 312,096)
Income tax expense	<u>\$ 1,339,271</u>	<u>\$ 1,771,363</u>

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

	Three months ended September 30, 2021	Three months ended September 30, 2020
Changes in fair value of financial assets at fair value through other comprehensive income	<u>\$ 560</u>	<u>\$ 2,083</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Changes in fair value of financial assets at fair value through other comprehensive income	<u>(\$ 8,739)</u>	<u>(\$ 2,669)</u>

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

(33) Earnings per share

Three months ended September 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,061,849</u>	<u>1,039,622</u>	<u>\$ 1.98</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,061,849	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>368</u>	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,061,849</u>	<u>1,039,990</u>	<u>\$ 1.98</u>
Three months ended September 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,873,672</u>	<u>1,039,622</u>	<u>\$ 2.76</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,873,672	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>589</u>	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,873,672</u>	<u>1,040,211</u>	<u>\$ 2.76</u>

Nine months ended September 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,539,859	1,039,622	\$ 6.29
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,539,859	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,638	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,539,859	1,041,260	\$ 6.28
Nine months ended September 30, 2020			
	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	\$ 7,965,340	1,039,622	\$ 7.66
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,965,340	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,024	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 7,965,340	1,041,646	\$ 7.65

(34) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

For the nine months ended September 30, 2021, the Group acquired an additional 2.66% shares of the subsidiary, Philippine Seven Corp., for a total cash consideration of \$1,083,656. The carrying amount of non-controlling interest was \$113,844 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$113,844, and a decrease in the equity attributable to owners of the parent by \$969,812. The effect of changes in interests in Philippine Seven Corp. on the equity attributable to owners of the parent for the nine months ended September 30, 2021 is as follows:

	Nine months ended September 30, 2021
Carrying amount of non-controlling interest acquired	\$ 113,844
Consideration paid to non-controlling interest	( 1,083,656)
Difference between proceeds on actual acquisition of equity interest in a subsidiary and its carrying amount (Decrease in "Retained earnings")	(\$ 969,812)

B. The Group did not conduct any transaction with non-controlling interest for the nine months ended September 30, 2020.

(35) Supplemental cash flow information

Investing activities with partial cash payments

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Purchase of property, plant and equipment	\$ 5,637,350	\$ 5,415,787
Add: Opening balance of payable on equipment	1,355,119	1,364,370
Less: Ending balance of payable on equipment	( 847,754)	( 786,337)
Cash paid during the period	<u>\$ 6,144,715</u>	<u>\$ 5,993,820</u>

(36) Changes in liabilities from financing activities

	2021							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 4,739,411	\$ 3,399,147	\$ -	\$ 1,028,553	\$78,137,016	\$ 3,784,654	\$ 871,619	\$ 91,960,400
Changes in cash flow from financing activities	( 1,426,196)	( 3,399,147)	( 1,296,929)	263,827	( 9,264,582)	204,463	194,643	( 14,723,921)
Interest paid (Note)	-	-	-	-	( 792,484)	-	-	( 792,484)
Impact of changes in foreign exchange rate	( 39,035)	-	-	( 51,345)	( 445,971)	( 17,187)	-	( 553,538)
Changes in other non-cash items	5,000	-	10,653,529	( 191,487)	12,200,051	51	52,182	22,719,326
At September 30	<u>\$ 3,279,180</u>	<u>\$ -</u>	<u>\$ 9,356,600</u>	<u>\$ 1,049,548</u>	<u>\$79,834,030</u>	<u>\$ 3,971,981</u>	<u>\$ 1,118,444</u>	<u>\$ 98,609,783</u>
	2020							
	Short-term borrowings	Short-term notes and bills payable	Dividend payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Other non-current liabilities	Total liabilities from financing activities
At January 1	\$ 6,014,658	\$ -	\$ -	\$ 508,112	\$68,827,038	\$ 3,560,485	\$ 808,335	\$ 79,718,628
Changes in cash flow from financing activities	3,239,925	-	( 10,473,302)	10,926	( 8,715,296)	137,049	( 19,517)	( 15,820,215)
Interest paid (Note)	-	-	-	-	( 853,256)	-	-	( 853,256)
Impact of changes in foreign exchange rate	-	-	-	2,763	( 68,020)	-	-	( 65,257)
Changes in other non-cash items	-	-	10,473,302	( 10,105)	13,559,891	-	50,244	24,073,332
At September 30	<u>\$ 9,254,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,696</u>	<u>\$72,750,357</u>	<u>\$ 3,697,534</u>	<u>\$ 839,062</u>	<u>\$ 87,053,232</u>

Note: Presented in cash flows from operating activities.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

The Company's parent company and the Group's ultimate parent company is Uni-President Enterprises Corp. which holds a 45.4% equity interest in the Company as of September 30, 2021.

### (2) Names of related parties and relationship

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

(3) Significant related party transactions and balances

A. Operating revenue

	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Three months ended</u> <u>September 30, 2020</u>
<u>Sales of goods</u>		
Ultimate parent company	\$ 138,805	\$ 152,053
Associates	34,937	39,885
Sister companies	96,869	79,308
Other related parties	19,130	13,903
<u>Sales of services</u>		
Ultimate parent company	3,807	3,821
Associates	36,937	15,271
Sister companies	4,860	4,347
Other related parties	1,726	1,501
	<u>\$ 337,071</u>	<u>\$ 310,089</u>
	<u>Nine months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2020</u>
<u>Sales of goods</u>		
Ultimate parent company	\$ 429,183	\$ 429,876
Associates	102,578	102,631
Sister companies	293,174	244,420
Other related parties	48,805	43,512
<u>Sales of services</u>		
Ultimate parent company	13,137	12,871
Associates	80,931	46,249
Sister companies	13,624	11,128
Other related parties	4,913	3,659
	<u>\$ 986,345</u>	<u>\$ 894,346</u>

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

B. Purchases

	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Three months ended</u> <u>September 30, 2020</u>
Ultimate parent company	\$ 3,984,101	\$ 4,470,443
Associates	91,960	53,380
Sister companies	1,607,517	1,550,671
Other related parties	404,145	560,773
	<u>\$ 6,087,723</u>	<u>\$ 6,635,267</u>

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Ultimate parent company	\$ 12,304,995	\$ 12,497,187
Associates	221,792	157,646
Sister companies	4,432,089	4,014,572
Other related parties	1,362,429	1,658,549
	<u>\$ 18,321,305</u>	<u>\$ 18,327,954</u>

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

C. Receivables from related parties

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Accounts receivable</u>			
Ultimate parent company	\$ 136,717	\$ 232,286	\$ 145,191
Associates	73,429	60,516	83,349
Sister companies	47,806	96,824	49,042
Other related parties	4,828	4,435	4,163
	<u>\$ 262,780</u>	<u>\$ 394,061</u>	<u>\$ 281,745</u>

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

D. Payables to related parties

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes payable and accounts payable</u>			
Ultimate parent company	\$ 1,774,173	\$ 1,850,470	\$ 1,824,048
Associates	51,457	58,443	63,633
Sister companies	786,380	634,707	709,683
Other related parties	262,154	321,798	369,011
	<u>\$ 2,874,164</u>	<u>\$ 2,865,418</u>	<u>\$ 2,966,375</u>

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

E. Leasing arrangements — lessee

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

(b) Acquisition of right-of-use assets

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Ultimate parent company	\$ 73,635	\$ 23,135
Associates	-	43,535
Sister companies	26,178	31,298
	<u>\$ 99,813</u>	<u>\$ 97,968</u>

(c) Lease expenses

	Three months ended September 30, 2021	Three months ended September 30, 2020
Ultimate parent company	\$ 213	\$ 217
Associates	10,777	19,686
Sister companies	3,057	3,557
Other related parties	460	568
	<u>\$ 14,507</u>	<u>\$ 24,028</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Ultimate parent company	\$ 885	\$ 913
Associates	37,755	42,665
Sister companies	11,170	11,619
Other related parties	2,308	1,697
	<u>\$ 52,118</u>	<u>\$ 56,894</u>

(d) Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Ultimate parent company	\$ 89,440	\$ 73,102	\$ 92,257
Associates	3,372,703	3,654,236	287,482
Sister companies	239,423	265,288	275,642
Other related parties	486,825	472,611	486,430
	<u>\$ 4,188,391</u>	<u>\$ 4,465,237</u>	<u>\$ 1,141,811</u>

F. Property transactions

	Accounts	Three months ended September 30, 2021	Three months ended September 30, 2020
Associates	Intangible assets	<u>\$ 18,671</u>	<u>\$ 8,762</u>
	Accounts	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Associates	Intangible assets	<u>\$ 40,021</u>	<u>\$ 10,692</u>

(4) Key management compensation

	Three months ended September 30, 2021	Three months ended September 30, 2020
Short-term employee benefits	<u>\$ 110,899</u>	<u>\$ 152,524</u>
	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Short-term employee benefits	<u>\$ 378,642</u>	<u>\$ 456,321</u>

## 8. PLEDGED ASSETS

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

Pledged assets	Book value			Purpose
	September 30, 2021	December 31, 2020	September 30, 2020	
Land	\$ 218,675	\$ 218,675	\$ 218,675	Guarantee facilities and performance guarantee
Buildings	32,592	31,450	34,120	Long-term borrowings and guarantee facilities
Transportation equipment	791,450	706,193	699,330	Long-term borrowings
Investment property	56,819	56,898	56,924	Performance guarantee
Pledged time deposits (Recognized as "Other non - current assets - guarantee deposits paid ")	92,056	110,122	83,658	Performance guarantee
	<u>\$ 1,191,592</u>	<u>\$ 1,123,338</u>	<u>\$ 1,092,707</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 12. OTHERS

### (1) Capital management

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

### (2) Financial instruments

#### A. Financial instruments by category

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 1,657,343</u>	<u>\$ 2,191,019</u>	<u>\$ 2,139,216</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 1,131,330</u>	<u>\$ 959,827</u>	<u>\$ 847,701</u>

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Financial assets at amortized cost			
Cash and cash equivalents	\$ 45,105,386	\$ 46,562,907	\$ 47,362,652
Accounts receivable, net	6,119,501	6,215,272	5,539,256
Other receivables	3,416,365	1,950,481	2,708,281
Other current assets (Note)	2,262,501	2,491,850	2,358,423
Guarantee deposits paid	3,171,370	3,106,790	3,044,824
Other non-current assets (Note)	32,268	47,442	31,181
	<u>\$ 60,107,391</u>	<u>\$ 60,374,742</u>	<u>\$ 61,044,617</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 3,279,180	\$ 4,739,411	\$ 9,254,583
Short-term notes and bills payable	-	3,399,147	-
Notes payable	1,034,083	1,079,496	1,125,425
Accounts payable (including related parties)	23,286,496	25,056,836	26,214,707
Other payables	34,471,884	25,093,782	23,583,022
Long-term borrowings (including current portion)	1,521,243	1,320,128	745,019
Guarantee deposits received	3,971,981	3,784,654	3,697,534
	<u>\$ 67,564,867</u>	<u>\$ 64,473,454</u>	<u>\$ 64,620,290</u>
Lease liabilities	<u>\$ 79,834,030</u>	<u>\$ 78,137,016</u>	<u>\$ 72,750,357</u>

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

**B. Risk management policies**

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

**C. Significant financial risks and degrees of financial risks**

**(a) Market risk**

**Foreign exchange risk**

- I. The Group operates internationally and is exposed to foreign exchange risk arising from of the Company and its subsidiaries used in various functional currency, the transactions primarily with respect to the USD and RMB. Exchange risk arises from future commercial transactions and recognized assets and liabilities.
- II. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currencies.

III. The Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the Renminbi (RMB). The details of assets and liabilities denominated in foreign currencies whose values would be materially affected by exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	September 30, 2021			December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 989	27.8500	\$ 27,544	\$ 1,878	28.4800	\$ 53,485
RMB : NTD	1,138	4.3213	4,918	2,790	4.3633	12,174
JPY : NTD	44,172	0.2490	10,999	55,921	0.2763	15,451
HKD : NTD	1,191	3.5768	4,260	1,267	3.6734	4,654
EUR : NTD	334	32.3200	10,795	43	35.0200	1,506
<u>Non-monetary items</u>						
JPY : NTD	\$ 780,900	0.2490	\$ 194,444	\$ 861,900	0.2763	\$ 238,143
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 3,427	27.8500	\$ 95,442	\$ 3,081	28.4800	\$ 87,747
RMB : NTD	2,167	4.3213	9,364	2,182	4.3633	9,521
JPY : NTD	99,711	0.2490	24,828	70,741	0.2763	19,546

(Foreign currency: functional currency)	September 30, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,624	29.1000	\$ 47,258
RMB : NTD	1,155	4.2851	4,949
JPY : NTD	39,699	0.2756	10,941
HKD : NTD	662	3.7548	2,486
EUR : NTD	203	34.1500	6,932
<u>Non-monetary items</u>			
JPY : NTD	\$ 860,400	0.2756	\$ 237,126
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 4,047	29.1000	\$ 117,768
RMB : NTD	1,243	4.2851	5,326
JPY : NTD	76,683	0.2756	21,134

IV. Total exchange gain, including realized and unrealized arising from significant foreign exchange variations on monetary items held by the Group amounted to \$3,696, \$3,487, \$11,596 and \$8,422 for the three months and nine months ended September 30, 2021 and 2020, respectively.

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

Foreign exchange risk with respect to USD primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, accounts receivable and accounts payable denominated in USD. If the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's profit for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$3,395 and \$3,526, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash and cash equivalents, financial assets at fair value through other comprehensive income

– non-current and accounts payable denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Group's comprehensive income for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$9,031 and \$11,347, respectively.

#### Price risk

- I. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- II. The Group's investments in equity securities comprise shares and open-ended funds issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. If the prices of these equity securities increase/decrease by 5%, and open-ended funds increase/decrease by 0.25%, with all other variables held constant, the post-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$8,204 and \$9,411, respectively, as a result of gains/losses on equity securities and open-ended funds classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$56,567 and \$42,385, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- I. The Group's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which are partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the nine months ended September 30, 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and Philippine Peso.
- II. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$3,803 and \$1,863, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

#### (b) Credit risk

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

up regularly. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach to estimate expected credit loss to assess the default possibility of accounts receivable. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021
	<u>Accounts receivable</u>
At January 1	\$ 107,485
Provision for impairment	31,994
Write-offs	( 10,363)
Effect of foreign exchange	( 7,628)
At September 30	<u>\$ 121,488</u>
	2020
	<u>Accounts receivable</u>
At January 1	\$ 55,829
Provision for impairment	17,410
Reversal of impairment	( 106)
Write-offs	( 3,137)
Effect of foreign exchange	( 5,416)
At September 30	<u>\$ 64,580</u>

VI. The Group has no written-off financial assets that are still under recourse procedures on September 30, 2021, December 31, 2020 and September 30, 2020.

(c) Liquidity risk

- I. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, at all times, so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- II. The Group invests surplus cash in interest bearing current accounts, time deposits, money market fund and marketable securities, and chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasting. The Group held money market funds of \$1,571,863, \$2,105,496 and \$2,053,693 as at September 30, 2021, December 31, 2020, and September 30, 2020, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.
- III. The Group has undrawn borrowing facilities of \$17,787,780, \$12,120,795 and \$12,943,360 as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.
- IV. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for notes payable, accounts payable and other payables, whose contractual undiscounted cash flows are about to book value, maturing within one-year, the amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
September 30, 2021				
Short-term borrowings	\$ 3,284,934	\$ -	\$ -	\$ -
Lease liabilities	14,531,037	14,277,827	12,415,691	43,337,406
Long-term borrowings (including current portion)	523,034	180,227	160,474	776,499

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
September 30, 2020				
Short-term borrowings	\$ 9,266,180	\$ -	\$ -	\$ -
Lease liabilities	13,306,231	12,935,872	12,029,473	41,311,727
Long-term borrowings (including current portion)	252,467	137,240	112,082	285,983

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

(3) Fair value information

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

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

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

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

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

- C. Financial instruments not measured at fair value

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

	September 30, 2021			
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 3,171,370	\$ -	\$ -	\$ 3,156,875
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 3,971,981	\$ -	\$ -	\$ 3,951,019

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

	September 30, 2020			
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 3,044,824	\$ -	\$ -	\$ 3,031,662
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 3,697,534	\$ -	\$ -	\$ 3,679,039

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

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

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

<u>September 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 1,571,863	\$ -	\$ -	\$ 1,571,863
Equity securities	-	-	85,480	85,480
	<u>1,571,863</u>	<u>-</u>	<u>85,480</u>	<u>1,657,343</u>
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 1,126,982	\$ -	\$ 4,348	\$ 1,131,330
	<u>\$ 2,698,845</u>	<u>\$ -</u>	<u>\$ 89,828</u>	<u>\$ 2,788,673</u>

<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,105,496	\$ -	\$ -	\$ 2,105,496
Equity securities	-	-	85,523	85,523
	<u>2,105,496</u>	<u>-</u>	<u>85,523</u>	<u>2,191,019</u>
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 955,479	\$ -	\$ 4,348	\$ 959,827
	<u>\$ 3,060,975</u>	<u>\$ -</u>	<u>\$ 89,871</u>	<u>\$ 3,150,846</u>
 <u>September 30, 2020</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,053,693	\$ -	\$ -	\$ 2,053,693
Equity securities	-	-	85,523	85,523
	<u>2,053,693</u>	<u>-</u>	<u>85,523</u>	<u>2,139,216</u>
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 843,353	\$ -	\$ 4,348	\$ 847,701
	<u>\$ 2,897,046</u>	<u>\$ -</u>	<u>\$ 89,871</u>	<u>\$ 2,986,917</u>

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

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

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

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

- E. For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. For the nine months ended September 30, 2021 and 2020, there was no significant transfer in or out of Level 3.

- G. The Group is in charge of valuation procedures for fair value measurements being categorized within Level 3, which to verify the independent fair value of financial instruments. Such assessments are to ensure the valuation results are reasonable by applying independent information to compare the results to current market conditions, confirming the information resources are independent, reliable and in line with other resources, and represented as the exercisable price, and frequently making any other necessary adjustments to the fair value. Investment property is assessed by independent appraisers or based on recent closing prices of similar property in the neighboring area.
- H. The qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement are provided below:

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

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

	Fair value at September 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,871	Market comparable companies	Price to book ratio multiplier	2.94	The higher the multiplier, the higher the fair value
		Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurements. If valuation assumptions from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the nine months ended September 30, 2021 and 2020.

(4) Other information

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

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

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

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to Table 8.
- 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 9.

#### 14. SEGMENT INFORMATION

##### (1) General information

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

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

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

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

##### (2) Measurement of segment information

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

(3) Segment information

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

Nine months ended September 30, 2021						
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 124,093,206	\$ 53,551,982	\$ 1,563,065	\$ 14,882,508	\$ -	\$ 194,090,761
Internal department revenue	854,972	2,282,967	12,009,299	6,272,424	( 21,419,662)	-
Total segment revenue	<u>\$ 124,948,178</u>	<u>\$ 55,834,949</u>	<u>\$ 13,572,364</u>	<u>\$ 21,154,932</u>	<u>(\$ 21,419,662)</u>	<u>\$ 194,090,761</u>
Segment income (loss)	<u>\$ 7,162,747</u>	<u>\$ 2,186,921</u>	<u>\$ 1,055,446</u>	<u>(\$ 656,006)</u>	<u>(\$ 1,147,624)</u>	<u>\$ 8,601,484</u>

  

Nine months ended September 30, 2020						
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 124,835,584	\$ 51,159,458	\$ 1,582,245	\$ 14,768,917	\$ -	\$ 192,346,204
Internal department revenue	584,389	1,704,668	10,565,581	5,867,568	( 18,722,206)	-
Total segment revenue	<u>\$ 125,419,973</u>	<u>\$ 52,864,126</u>	<u>\$ 12,147,826</u>	<u>\$ 20,636,485</u>	<u>(\$ 18,722,206)</u>	<u>\$ 192,346,204</u>
Segment income (loss)	<u>\$ 9,065,588</u>	<u>\$ 1,777,517</u>	<u>\$ 1,070,504</u>	<u>\$ 130,484</u>	<u>(\$ 1,502,427)</u>	<u>\$ 10,541,666</u>

(4) Reconciliation of segment income (loss)

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Loans to others  
Nine months ended September 30,2021

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 nine months ended September 30,2021	Balance at September 30,2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a sigle party (Note)	Ceiling on total loans granted (Note)	Footnote
1	President Pharmaceutical Corp.	President Being Corp.	Other receivables	Y	\$ 40,000	\$ 40,000	\$ -	-	Short-term financing	\$ -	Additional operating capital	\$ -	None	\$ -	\$ 293,031	\$ 293,031	

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)  
September 30, 2021

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of September 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
President Chain Store Corp.	Stock: President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss — non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,461	5.37	14,461	
President Chain Store Corp.	Kaohsiung Rapid Transit Corp.	"	"	2,572,127	25,721	0.92	25,721	
President Chain Store Corp.	PK Venture Capital Corp.	Director of PK Venture Capital Corp.	"	321,300	-	6.67	-	
Mech-President Corp.	Yamay International Development Corp.	None	"	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	932,538	2.79	932,538	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	194,444	0.61	194,444	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
President Chain Store Corp.	Beneficiary certificates: UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss — current	59,316,555	\$ 1,000,338	-	\$ 1,000,338	
Books.com. Co., Ltd.	Jih Sun Money Market Fund	"	"	2,674,425	40,061	-	40,061	
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,463,026	20,001	-	20,001	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	800,540	13,501	-	13,501	
Uni-President Department Store Corp.	Prudential Financial Money Market Fund	"	"	125,135	2,000	-	2,000	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	3,545,376	53,106	-	53,106	
President Information Corp.	UPAMC James Bond Money Market Fund	"	"	2,135,508	36,014	-	36,014	
President Information Corp.	FSITC Taiwan Money Market Fund	"	"	1,617,055	25,004	-	25,004	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,938,495	26,501	-	26,501	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	1,185,972	20,001	-	20,001	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	499,153	7,477	-	7,477	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	3,606,837	49,309	-	49,309	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	7,320,052	100,529	-	100,529	
Q-ware Systems & Services Corp.	Jih Sun Money Market Fund	"	"	6,675,946	100,002	-	100,002	
21 Century Co., Ltd.	UPAMC James Bond Money Market Fund	"	"	3,380,668	57,019	-	57,019	
21 Century Co., Ltd.	CTBC Hua Win Money Market Fund	"	"	989,407	11,000	-	11,000	
21 Century Co., Ltd.	Prudential Financial Money Market Fund	"	"	625,700	10,000	-	10,000	

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  
Nine months ended September 30, 2021

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

					Balance as at								Other increase (decrease)		Balance as at September 30, 2021		
					January 1, 2021		Addition		Disposal								
		General ledger account	Relationship with	Number of			Number of			Number of	Gain (loss)		Number of	Number of			
Investor	Type and name of securities	Counterparty	the investor	shares	Amount		shares	Amount		shares	Selling price	Book value	on disposal	shares	Amount	shares	Amount
Beneficiary certificates:																	
President Chain Store Corp.	UPAMC James Bond Money Market Fund	Note 1	Not applicable	-	\$ -		59,316,555	\$ 1,000,000		-	\$ -	\$ -	\$ -	-	\$ 338	59,316,555	\$ 1,000,338
Books.com. Co., Ltd.	Jih Sun Money Market Fund	"	"	2,675,943	40,005		22,592,483	338,000		22,594,001	338,297	338,000	297	-	56	2,674,425	40,061
Books.com. Co., Ltd.	Capital Money Market Fund	"	"	1,229,732	20,002		46,206,272	752,000		47,436,004	772,069	772,000	69	- (	2)	-	-
Books.com. Co., Ltd.	Union Money Market Fund	"	"	3,756,884	50,003		88,582,408	1,180,100		92,339,292	1,230,256	1,230,100	156	- (	3)	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	5,960,766	81,340		23,976,500	327,500		28,474,240	388,897	388,833	64	- (	6)	1,463,026	20,001
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	2,725,601	45,902		19,106,776	322,000		21,031,837	354,431	354,400	31	- (	1)	800,540	13,501
Uni-Wonder Corp.	Union Money Market Fund	"	"	22,539,952	300,000		22,526,751	300,000		45,066,703	600,270	600,000	270	-	-	-	-
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	"	"	18,142,352	280,000		36,246,663	560,000		54,389,015	840,388	840,000	388	-	-	-	-
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	"	"	19,789,597	250,000		71,180,604	900,000		90,970,201	1,150,343	1,150,000	343	-	-	-	-
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	"	"	7,328,208	100,000		14,641,879	200,000		21,970,087	300,147	300,000	147	-	-	-	-
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	13,307,511	198,948		139,509,248	2,087,738		149,271,383	2,233,900	2,233,579	321	- (	1)	3,545,376	53,106
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	2,957,710	40,361		32,064,871	437,900		31,415,744	429,048	428,944	104	- (	8)	3,606,837	49,309
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	25,961,335	356,000		62,461,546	857,000		81,102,829	1,112,772	1,112,500	272	-	29	7,320,052	100,529
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	-	-		43,199,536	590,000		43,199,536	590,056	590,000	56	-	-	-	-
Stock:																	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Note 2	Issuance of common stock for cash	Parent company to subsidiary	-	\$ 173,272	-	\$ 304,824		-	\$ -	\$ -	\$ -	-	(\$ 89,672)	-	\$ 388,424
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	"	"	"	-	2,329,244	-	1,083,656		-	-	-	-	- (	1,341,267)	-	2,071,633
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	"	Not applicable	Not applicable	394,970,516	2,327,307	20,134,811	1,083,656		-	-	-	-	- (	1,341,131)	415,105,327	2,069,832

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  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
Nine months ended September 30, 2021

Table 4

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	\$ 11,811,535	14	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,347,447) (	5)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	3,030,147	4	Net 45 days from the end of the month when invoice is issued	"	"	( 725,376) (	3)	
	Tung Ang Enterprises Corp.	Sister company	"	1,680,211	2	Net 30 days from the end of the month when invoice is issued	"	"	( 232,079) (	1)	
	Lien Bo Corp.	"	"	482,990	1	Net 10~54 days from the end of the month when invoice is issued	"	"	( 112,318)	-	
	Tait Marketing & Distribution Co., Ltd.	"	"	452,180	1	Net 20~70 days from the end of the month when invoice is issued	"	"	( 123,764)	-	
	President Packaging Industrial Corp.	"	"	291,312	-	Net 15~60 days from the end of the month when invoice is issued	"	"	( 59,543)	-	
	President Transnet Corp.	Subsidiary	"	416,179	-	Net 60 days from the end of the month when invoice is issued	"	"	( 44,902)	-	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	292,552	-	Net 30~65 days from the end of the month when invoice is issued	"	"	( 100,800)	-	
	Wei Lih Food Industrial Co., Ltd.	"	"	208,610	-	Net 30~60 days from the end of the month when invoice is issued	"	"	( 34,988)	-	
	21 Century Co., Ltd.	Subsidiary	"	573,745	1	Net 30~60 days from the end of the month when invoice is issued	"	"	( 134,339) (	1)	
	President Pharmaceutical Corp.	"	"	402,248	-	Net 60~70 days from the end of the month when invoice is issued	"	"	( 116,453)	-	
	Kai Ya Food Co., Ltd.	Sister company	"	474,184	1	Net 40 days from the end of the month when invoice is issued	"	"	( 117,278)	-	
	President Drugstore Business Corp.	Subsidiary	"	228,768	-	Net 30~60 days from the end of the month when invoice is issued	"	"	( 32,026)	-	
	Q-ware Systems & Services Corp.	"	"	453,531	1	Net 40 days from the end of the month when invoice is issued	"	"	( 99,275) (	1)	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	( 146,576) (	70)	Net 45~65 days from the end of the month when invoice is issued	"	"	53,169	77	
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	( 564,836) (	34)	Net 40 days from the end of the month when invoice is issued	"	"	95,436	41	
	President Logistics International Corp.	Parent company	"	( 1,035,471) (	63)	Net 20 days from the end of the month when invoice is issued	"	"	130,319	56	
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	564,836	7	Net 40 days from the end of the month when invoice is issued	"	"	( 95,436) (	4)	
	President Chain Store Corp.	Parent company	Sales revenue	( 416,179) (	60)	Net 60 days from the end of the month when invoice is issued	"	"	44,902	2	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	263,735	8	Net 30 days from the end of the month when invoice is issued	"	"	( 31,648) (	5)	
	Tong Zhan Corporation Ltd.	Other related party	"	615,682	20	Net 25 days from the end of the month when invoice is issued	"	"	( 70,632) (	11)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	159,104	5	Net 29 days from the end of the month when invoice is issued	"	"	( 26,035) (	4)	
	Tait Marketing & Distribution Co., Ltd.	Other related party	"	103,921	3	Net 30 days from the end of the month when invoice is issued	"	"	( 25,073) (	4)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	( 821,451) (	65)	Net 45 days from the end of the month when invoice is issued	"	"	215,094	62	

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  
Nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	\$ 1,035,471	38	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 130,319)	( 34)	
	Retail Support International Corp.	Parent company	Delivery revenue	( 644,216)	( 23)	Net 20 days from the end of the month when invoice is issued	"	"	76,748	21	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	( 915,981)	( 32)	Net 20 days from the end of the month when invoice is issued	"	"	108,828	30	
	Wisdom Distribution Service Corp.	"	"	( 1,059,721)	( 37)	Net 20 days from the end of the month when invoice is issued	"	"	150,008	42	
Retail Support International Corp.	President Logistics International Corp.	Subsidiary	Service cost	644,216	48	Net 20 days from the end of the month when invoice is issued	"	"	( 76,748)	( 48)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	( 159,104)	( 7)	Net 29 days from the end of the month when invoice is issued	"	"	26,035	8	
	Retail Support Taiwan Corp.	Subsidiary	Service cost	231,649	17	Net 15~20 days from the end of the month when invoice is issued	"	"	( 27,131)	( 17)	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Subsidiary of President Chain Store Corp.	"	915,981	39	Net 20 days from the end of the month when invoice is issued	"	"	( 108,828)	( 2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	1,059,721	42	Net 20 days from the end of the month when invoice is issued	"	"	( 150,008)	( 27)	
	Books.com. Co., Ltd.	"	Service revenue	( 247,283)	( 8)	Net 30~90 days from the end of the month when invoice is issued	"	"	27,764	3	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	( 453,531)	( 58)	Net 40 days from the end of the month when invoice is issued	"	"	99,275	68	
President Drugstore Business Corp.	President Chain Store Corp.	"	Sales revenue	( 228,768)	( 2)	Net 30~60 days from the end of the month when invoice is issued	"	"	32,026	4	
	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	426,244	5	Net 61~80 days from the end of the month when invoice is issued	"	"	( 27,816)	( 2)	
President Pharmaceutical Corp.	President Drugstore Business Corp.	"	Sales revenue	( 426,244)	( 32)	Net 61~80 days from the end of the month when invoice is issued	"	"	27,816	5	
	President Chain Store Corp.	Parent company	"	( 402,248)	( 30)	Net 60~70 days from the end of the month when invoice is issued	"	"	116,453	23	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	( 3,030,147)	( 98)	Net 45 days from the end of the month when invoice is issued	"	"	725,376	97	
	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	111,207	5	Net 60 days from the end of the month when invoice is issued	"	"	( 27,645)	( 5)	
21 Century Co., Ltd.	President Chain Store Corp.	Parent company	Sales revenue	( 573,745)	( 53)	Net 30~60 days from the end of the month when invoice is issued	"	"	134,339	64	
Retail Support Taiwan Corp.	Retail Support International Corp.	"	Delivery revenue	( 231,649)	( 78)	Net 15~20 days from the end of the month when invoice is issued	"	"	27,131	65	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	( 181,912)	( 18)	Net 15~60 days from the end of the month when invoice is issued	"	"	33,122	18	
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	"	Delivery revenue	( 104,163)	( 32)	Net 80 days from the end of the month when invoice is issued	"	"	53,456	59	
Shanghai President Logistic Co., Ltd.	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Subsidiary	Service cost	104,163	19	Net 80 days from the end of the month when invoice is issued	"	"	( 53,456)	( 43)	
ICASH Corp.	President Chain Store Corp.	Parent company	Service revenue	( 187,976)	( 38)	Net 60 days from the end of the month when invoice is issued	"	"	101,996	26	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
September 30, 2021

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of September 30, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
President Information Corp.	President Chain Store Corp.	Parent company	\$ 215,094	6.76	\$ -	None	\$ 61,625	\$ -
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	725,376	5.61	-	"	357,407	-
President Pharmaceutical Corp.	President Chain Store Corp.	"	116,453	4.63	-	"	22,410	-
21 Century Co., Ltd.	President Chain Store Corp.	"	134,339	6.07	-	"	133,089	-
ICASH Corp.	President Chain Store Corp.	"	101,996	3.76	-	"	16,194	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary of President Chain Store Corp.	150,008	9.34	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	130,319	11.35	-	"	-	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	"	108,828	11.19	-	"	-	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Nine months ended September 30, 2021

Table 6

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	(\$ 335,536)	Net 20 days from the end of the month when invoice is issued	0.17	
2	Capital Marketing Consultant Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 146,576)	Net 45~65 days from the end of the month when invoice is issued	0.08	
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 821,451)	Net 45 days from the end of the month when invoice is issued	0.42	
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	215,094	Net 45 days from the end of the month when invoice is issued	0.10	
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 453,531)	Net 40 days from the end of the month when invoice is issued	0.23	
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 3,030,147)	Net 45 days from the end of the month when invoice is issued	1.56	
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	725,376	Net 45 days from the end of the month when invoice is issued	0.35	
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	( 426,244)	Net 61~80 days from the end of the month when invoice is issued	0.22	
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 402,248)	Net 60~70 days from the end of the month when invoice is issued	0.21	
6	President Pharmaceutical Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	116,453	Net 60~70 days from the end of the month when invoice is issued	0.06	
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 416,179)	Net 60 days from the end of the month when invoice is issued	0.21	
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	( 1,035,471)	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	130,319	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	( 564,836)	Net 40 days from the end of the month when invoice is issued	0.29	
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	( 644,216)	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	( 915,981)	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	108,828	Net 20 days from the end of the month when invoice is issued	0.05	
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	( 1,059,721)	Net 20 days from the end of the month when invoice is issued	0.55	
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	150,008	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	( 181,912)	Net 15~60 days from the end of the month when invoice is issued	0.09	
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 573,745)	Net 30~60 days from the end of the month when invoice is issued	0.30	
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	134,339	Net 30~60 days from the end of the month when invoice is issued	0.06	
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	( 247,283)	Net 30~90 days from the end of the month when invoice is issued	0.13	
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	( 231,649)	Net 15~20 days from the end of the month when invoice is issued	0.12	
14	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	( 159,104)	Net 29 days from the end of the month when invoice is issued	0.08	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Nine months ended September 30, 2021

Table 6

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
15	President Drugstore Business Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	(\$ 228,768)	Net 30~60 days from the end of the month when invoice is issued	0.12
16	Zhejiang Uni-Champion Logistics Development Co., Ltd.	Shanghai President Logistic Co., Ltd.	Subsidiary to subsidiary	Delivery revenue	( 104,163)	Net 80 days from the end of the month when invoice is issued	0.05
17	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 187,976)	Net 60 days from the end of the month when invoice is issued	0.10
17	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	101,996	Net 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)  
Nine months ended September 30, 2021

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognized by the Company for the nine months ended September 30, 2021		Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 23,159,702	(\$ 311,466)	(\$ 311,471)		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	1,401,516	225,084	225,084		Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	2,116,055	1,125,353	787,736		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	783,784	174,772	141,339		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	691,077	104,831	77,302		Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	385,943	29,111	20,377		Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	533,805	49,420	44,478		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	898,057	327,363	196,126		Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	464,456	39,748	34,184		Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	378,605	69,918	60,867		Subsidiary
President Chain Store Corp.	Wisdom Distribution Service Corp.	Taiwan	Logistics and storage of publication and e-commerce	50,000	50,000	10,847,421	100.00	459,706	247,226	247,138		Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	370,589	325,051	162,603		Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	24,910	( 86)	( 86)		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	193,984	130,360	66,440		Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	503,907	( 76,926)	( 76,926)		Subsidiary
President Chain Store Corp.	Uni-President Development Corp.	Taiwan	Construction, development and operation of an MRT station	720,000	720,000	72,000,000	20.00	757,546	96,488	19,297		Note
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	4,660,195	57,521	( 35,385)		Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	151,960	151,990	37,995		Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	5,047,364	1,351,555	263,959		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	2,102,066	90,875	17,266		Note
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	448,125	723,487	29,793		Note
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	9,965,000	6.23	60,002	( 103,646)	( 10,894)		Note
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	54,088	( 9,873)	( 9,873)		Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	48,794	9,544	9,544		Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	67,159	843	778		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	33,165	14,416	14,416		Subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Names, locations and other information of investee companies (not including investees in Mainland China)  
Nine months ended September 30, 2021

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

				Initial investment amount		Shares held as at September 30, 2021			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	recognized by the	Footnote
				September 30, 2021	December 31, 2020				investee for the nine months ended September 30, 2021	Company for the nine months ended September 30, 2021	
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	\$ 170,000	\$ 170,000	12,244,390	100.00	\$ 19,441	(\$ 3,738)	(\$ 3,738)	Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	( 85,455)	( 54,600)	( 54,600)	Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	131,313	28,126	28,126	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	90,422	9,153	9,146	Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	391,300	391,300	6,511,963	100.00	( 140,489)	( 48,980)	( 48,980)	Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	78,822	82,713	57,900	Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	72,387	( 32,073)	( 16,037)	Note
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	44,831	30,348	11,124	Note
President Chain Store Corp.	President Technology Corp., etc.	Taiwan	Software development and telephone customer service	7,500	7,500	750,000	15.00	22,389	13,963	2,095	Note
President Chain Store Corp.	Connection Labs Ltd.	Taiwan	Other software and internet-related	102,963	-	11,722,779	100.00	62,849	( 36,747)	( 40,114)	Subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	22,186	6,398	3,839	Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	20,609	20,609	740,000	7.80	5,682	843	66	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	1,885,260	812,199	67,693,370	100.00	2,071,633	( 182,017)	( 182,017)	Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holdings Limited	Hong Kong	Professional investment	4,337,830	4,337,830	134,603,354	100.00	3,568,277	( 177,439)	( 177,439)	Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Convenience sotre	1,884,480	811,419	415,105,327	54.88	2,069,832	( 335,503)	( 181,922)	Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	334,493	33,969	33,969	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	18,225	( 19,644)	( 19,644)	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	325,051	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	29,111	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	174,772	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	39,748	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	1,125,353	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	69,918	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	-	-	1	-	-	130,360	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	104,831	-	Subsidiary of a subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Names, locations and other information of investee companies (not including investees in Mainland China)  
Nine months ended September 30, 2021

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income (loss) recognized by the Company for the nine months ended September 30, 2021		Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
Ren-Hui Investment Corp.	Mister Donut Taiwan Co., Ltd.	Taiwan	Bakery retailer	\$ -	\$ -	1	-	\$ -	(\$ 32,073)	\$ -	-	Note
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	49,420	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	327,363	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	151,990	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	82,713	-	-	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	34,965	( 13,747)	( 13,747)	-	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	69,597	34,445	17,567	-	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	167,867	64,661	31,684	-	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	20,555	64,661	3,880	-	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	85,646	64,661	16,165	-	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	110,689	4,771	4,771	-	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	68,494	64,661	12,910	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	24,567	24,567	4,500,000	100.00	24,567	( 11,415)	-	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	26,610	26,610	40,000	100.00	26,610	1,069	-	-	Subsidiary of a subsidiary

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

Table 8

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES														
Information on investments in Mainland China														
Nine months ended September 30, 2021														
Expressed in thousands of NTD (Except as otherwise indicated)														
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net profit(loss) of investee for the nine months ended September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine months ended September 30, 2021	Book value of investments in September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021	Footnote	
					Remitted to Mainland China	Remitted back to Taiwan								
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 432,131	Note 1	\$ 262,271	\$ -	\$ -	\$ 262,271	\$ 917	100.00	\$ 917	\$ 72,454	\$ -	Note 3	
President Chain Store (Shanghai) Ltd.	Cvenience Store	2,679,212	Note 1	2,679,212	-	-	2,679,212	( 112,589)	100.00	( 112,656)	328,459	-	Note 3	
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	55,700	Note 1	55,700	-	-	55,700	55,760	100.00	55,760	572,581	-	Note 3	
Shan Dong President Yinzuo Commercial Limited	Supermarkets	259,279	Note 1	113,582	-	-	113,582	( 92,149)	55.00	( 50,230)	87,885	7,241	Note 2	
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	169,210	Note 1	169,210	-	-	169,210	( 17,606)	73.74	( 12,983)	( 4,086)	51,864	Note 3	
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	172,852	Note 1	163,459	-	-	163,459	9,661	80.00	7,778	180,467	23,738	Note 3	
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	259,279	Note 1	259,279	-	-	259,279	24,228	100.00	24,228	403,261	-	Note 3	
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	216,066	Note 1	216,066	-	-	216,066	11,685	100.00	11,685	215,268	-	Note 3	
President Chain Store (Zhejiang) Ltd.	Cvenience Store	907,475	Note 1	604,983	302,492	-	907,475	( 86,023)	100.00	( 85,952)	388,424	-	Note 3	
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	259,278	Note 1	129,639	129,639	-	259,278	( 29,052)	100.00	( 29,055)	135,242	-	Note 3	

Note 1: Indirect investment in PRC through the existing company located in the third area.  
Note 2: The financial statements were reviewed by the CPA of parent company in Taiwan.  
Note 3: These amounts are based solely on their unreviewed financial statements.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
President Chain Store Corp.	\$ 4,292,744	\$ 8,551,305		\$ 23,947,960
President Pharmaceutical Corp.	169,210	169,210		433,099
Uni-President Cold-Chain Corp.	82,643	82,643		886,024
Ren-Hui Investment Corp.	47,994	47,994		80,000

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES

List of shareholders holding more than 5% (inclusive) of shares

September 30, 2021

Table 9

Shareholder name	Shares held as at September 30, 2021	
	Number of shares	Ownership (%)
Uni-President Enterprises Corp.	471,996,430	45.40

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