

**PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REVIEW REPORT OF INDEPENDENT ACCOUNTANTS**  
**SEPTEMBER 30, 2020 AND 2019**

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For the convenience of readers and for information purposes 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 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  
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS  
SEPTEMBER 30, 2020 AND 2019  
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**REVIEW REPORT OF INDEPENDENT ACCOUNTANTS**  
**TRANSLATED FROM CHINESE**

To the Board of Directors and Shareholders 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, 2020 and 2019, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods 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 accountants. Those statements reflect total assets of NT\$43,251,077 thousand and NT\$42,422,134 thousand, constituting 21% and 23% of the consolidated total assets, and total liabilities of NT\$27,829,127 thousand and NT\$26,160,108 thousand, constituting 18% and 19% of the consolidated total liabilities as at September 30, 2020 and 2019, respectively, and total comprehensive income of

NT\$319,500 thousand, NT\$524,668 thousand, NT\$644,795 thousand and NT\$1,746,031 thousand, constituting 11%, 18%, 8% and 18% of the consolidated total comprehensive income for the three-month and nine-month periods 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 accountants, 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, 2020 and 2019, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods 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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Chien-Hung, Chou

For and on behalf of PricewaterhouseCoopers, Taiwan  
October 30, 2020

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The accompanying 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 review report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

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

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

	Assets	Notes	September 30, 2020		December 31, 2019		September 30, 2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 47,362,652	23	\$ 45,445,395	23	\$ 52,112,980	28
1110	Financial assets at fair value through profit or loss – current	6(2)	2,053,693	1	1,696,300	1	1,583,247	1
1170	Accounts receivable, net	6(3) and 7	5,539,256	3	5,808,480	3	5,510,916	3
1200	Other receivables		2,708,281	1	1,460,354	1	2,301,736	1
1220	Current income tax assets	6(31)	1,538	-	95	-	4,363	-
130X	Inventories, net	6(4)	14,709,310	7	15,659,112	8	12,766,148	7
1410	Prepayments		1,499,575	1	1,195,719	1	1,383,157	1
1470	Other current assets		3,288,095	2	2,968,350	1	2,846,622	2
11XX	Total current assets		77,162,400	38	74,233,805	38	78,509,169	43
Non-current assets								
1510	Financial assets at fair value through profit or loss – non-current	6(2)	85,523	-	85,565	-	85,565	-
1517	Financial assets at fair value through other comprehensive income – non-current	6(5)	847,701	-	807,115	-	739,684	-
1550	Investments accounted for using equity method	6(6)	8,844,492	5	9,255,939	5	9,170,960	5
1600	Property, plant and equipment, net	6(7)(29) and 8	26,298,506	13	26,018,322	13	25,260,100	14
1755	Right-of-use assets	6(8) and 7	71,116,727	35	67,489,612	35	53,376,970	29
1760	Investment property, net	6(10) and 8	1,481,360	1	1,506,798	1	1,511,056	1
1780	Intangible assets	6(11)	9,950,390	5	10,171,442	5	10,131,370	5
1840	Deferred income tax assets	6(31)	1,942,751	1	1,860,217	1	1,819,247	1
1900	Other non-current assets	6(12) and 8	3,491,267	2	3,699,819	2	3,294,313	2
15XX	Total non-current assets		124,058,717	62	120,894,829	62	105,389,265	57
1XXX	Total assets		\$ 201,221,117	100	\$ 195,128,634	100	\$ 183,898,434	100

(Continued)

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

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2020		December 31, 2019		September 30, 2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(14) and 8	\$ 9,254,583	5	\$ 6,014,658	3	\$ 5,948,113	3
2130	Contract liabilities – current	6(24)	5,041,610	2	3,443,383	2	3,416,555	2
2150	Notes payable	7	1,125,425	1	1,214,702	1	3,063,910	2
2170	Accounts payable		23,335,856	12	20,897,055	11	23,079,662	12
2180	Accounts payable – related parties	7	2,878,851	1	2,690,640	1	4,018,899	2
2200	Other payables	6(15)	23,583,022	12	26,596,505	14	27,276,879	15
2230	Current income tax liabilities	6(31)	1,047,627	-	1,410,428	1	911,439	-
2280	Lease liabilities – current	7	12,298,518	6	11,932,751	6	11,283,080	6
2300	Other current liabilities	6(16)	3,544,364	2	3,149,591	1	3,107,172	2
21XX	<b>Total current liabilities</b>		<u>82,109,856</u>	<u>41</u>	<u>77,349,713</u>	<u>40</u>	<u>82,105,709</u>	<u>44</u>
	<b>Non-current liabilities</b>							
2527	Contract liabilities – non-current	6(24)	557,789	-	448,248	-	405,150	-
2540	Long-term borrowings	6(17) and 8	511,696	-	508,112	-	519,004	-
2570	Deferred income tax liabilities	6(31)	5,348,298	3	5,580,529	3	5,531,962	3
2580	Lease liabilities – non-current	7	60,451,839	30	56,894,287	29	43,014,213	24
2640	Net defined benefit liability	6(18)						
	– non-current		4,759,732	3	4,751,607	3	4,728,819	3
2670	Other non-current liabilities	6(19)	4,536,596	2	4,368,820	2	4,305,909	2
25XX	<b>Total non-current liabilities</b>		<u>76,165,950</u>	<u>38</u>	<u>72,551,603</u>	<u>37</u>	<u>58,505,057</u>	<u>32</u>
2XXX	<b>Total liabilities</b>		<u>158,275,806</u>	<u>79</u>	<u>149,901,316</u>	<u>77</u>	<u>140,610,766</u>	<u>76</u>
	<b>Equity attributable to owners of the parent</b>							
	Share capital	6(20)						
3110	Share capital – common stock		10,396,223	5	10,396,223	5	10,396,223	6
	Capital surplus	6(21)						
3200	Capital surplus		46,884	-	46,884	-	45,954	-
	Retained earnings	6(22)						
3310	Legal reserve		14,369,228	7	13,314,081	7	13,314,081	7
3320	Special reserve		380,187	-	-	-	-	-
3350	Unappropriated retained earnings		10,020,388	5	12,845,880	7	10,565,031	6
	Other equity	6(23)						
3400	Other equity interest		( 987,405)	-	( 380,187)	-	399,754	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>34,225,505</u>	<u>17</u>	<u>36,222,881</u>	<u>19</u>	<u>34,721,043</u>	<u>19</u>
36XX	<b>Non-controlling interest</b>		<u>8,719,806</u>	<u>4</u>	<u>9,004,437</u>	<u>4</u>	<u>8,566,625</u>	<u>5</u>
3XXX	<b>Total equity</b>		<u>42,945,311</u>	<u>21</u>	<u>45,227,318</u>	<u>23</u>	<u>43,287,668</u>	<u>24</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 201,221,117</u>	<u>100</u>	<u>\$ 195,128,634</u>	<u>100</u>	<u>\$ 183,898,434</u>	<u>100</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**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)  
(UNAUDITED)

	Items	Notes	For the three-month periods ended September 30				For the nine-month periods ended September 30			
			2020		2019		2020		2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(24) and 7	\$ 67,803,926	100	\$ 66,088,666	100	\$ 192,346,204	100	\$ 191,121,985	100
5000	Operating costs	6(4)(25) and 7	( 44,548,591 )	( 66 )	( 43,291,348 )	( 66 )	( 126,521,659 )	( 66 )	( 125,390,999 )	( 66 )
5900	Gross profit		<u>23,255,335</u>	<u>34</u>	<u>22,797,318</u>	<u>34</u>	<u>65,824,545</u>	<u>34</u>	<u>65,730,986</u>	<u>34</u>
	Operating expenses	6(25)(26)								
6100	Selling expenses		( 17,094,300 )	( 25 )	( 16,980,117 )	( 26 )	( 49,222,762 )	( 25 )	( 48,871,290 )	( 25 )
6200	General and administrative expenses		( 2,652,826 )	( 4 )	( 2,407,474 )	( 3 )	( 7,308,452 )	( 4 )	( 6,886,264 )	( 4 )
6450	Expected credit losses		( 5,182 )	-	( 3,648 )	-	( 17,410 )	-	( 6,947 )	-
6000	Total operating expenses		( 19,752,308 )	( 29 )	( 19,391,239 )	( 29 )	( 56,548,624 )	( 29 )	( 55,764,501 )	( 29 )
6900	Operating profit		<u>3,503,027</u>	<u>5</u>	<u>3,406,079</u>	<u>5</u>	<u>9,275,921</u>	<u>5</u>	<u>9,966,485</u>	<u>5</u>
	Non-operating income and expenses									
7100	Interest income	6(27)	110,057	-	205,959	-	425,715	-	616,912	-
7010	Other income	6(28)	484,947	1	435,955	1	1,424,584	1	1,552,809	1
7020	Other gains and losses	6(29)	18,105	-	( 287 )	-	49,319	-	( 36,776 )	-
7050	Finance costs	6(30)	( 318,979 )	-	( 287,679 )	-	( 969,321 )	-	( 894,008 )	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>101,588</u>	<u>-</u>	<u>148,203</u>	<u>-</u>	<u>335,448</u>	<u>-</u>	<u>385,778</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>395,718</u>	<u>1</u>	<u>502,151</u>	<u>1</u>	<u>1,265,745</u>	<u>1</u>	<u>1,624,715</u>	<u>1</u>
7900	Profit before income tax		<u>3,898,745</u>	<u>6</u>	<u>3,908,230</u>	<u>6</u>	<u>10,541,666</u>	<u>6</u>	<u>11,591,200</u>	<u>6</u>
7950	Income tax expense	6(31)	( 718,918 )	( 1 )	( 776,678 )	( 1 )	( 1,771,363 )	( 1 )	( 2,229,478 )	( 1 )
8000	Profit for the period from continuing operations		<u>3,179,827</u>	<u>5</u>	<u>3,131,552</u>	<u>5</u>	<u>8,770,303</u>	<u>5</u>	<u>9,361,722</u>	<u>5</u>
8200	Profit for the period		<u>\$ 3,179,827</u>	<u>5</u>	<u>\$ 3,131,552</u>	<u>5</u>	<u>\$ 8,770,303</u>	<u>5</u>	<u>\$ 9,361,722</u>	<u>5</u>

(Continued)

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

Items	Notes	For the three-month periods ended September 30				For the nine-month periods ended September 30			
		2020		2019		2020		2019	
		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)	\$ 94,923	-	(\$ 33,403)	-	\$ 40,586	-	\$ 95,070	-
8320 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss	6(23)	( 2,611)	-	( 994)	-	( 3,152)	-	1,000	-
8349 Income tax related to the components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(31)	( 2,083)	-	947	-	2,669	-	( 7,930)	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		90,229	-	( 33,450)	-	40,103	-	88,140	-
8361 Financial statements translation differences of foreign operations		( 326,009)	-	( 138,521)	-	( 613,062)	-	311,914	-
8367 Unrealized loss on valuation of bond instruments at fair value through other comprehensive income	6(5)	-	-	-	-	-	-	( 783)	-
8370 Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(23)	( 1,148)	-	1,502	-	( 5,357)	-	3,343	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		( 327,157)	-	( 137,019)	-	( 618,419)	-	314,474	-
8300 <b>Total other comprehensive (loss) income for the period</b>		(\$ 236,928)	-	(\$ 170,469)	-	(\$ 578,316)	-	\$ 402,614	-
8500 <b>Total comprehensive income for the period</b>		<u>\$ 2,942,899</u>	<u>5</u>	<u>\$ 2,961,083</u>	<u>5</u>	<u>\$ 8,191,987</u>	<u>5</u>	<u>\$ 9,764,336</u>	<u>5</u>
Profit attributable to:									
8610 Owners of the parent		\$ 2,873,672	5	\$ 2,772,206	4	\$ 7,965,340	5	\$ 8,269,957	4
8620 Non-controlling interests		306,155	-	359,346	1	804,963	-	1,091,765	1
		<u>\$ 3,179,827</u>	<u>5</u>	<u>\$ 3,131,552</u>	<u>5</u>	<u>\$ 8,770,303</u>	<u>5</u>	<u>\$ 9,361,722</u>	<u>5</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 2,613,787	5	\$ 2,633,189	4	\$ 7,358,122	5	\$ 8,616,106	4
8720 Non-controlling interests		329,112	-	327,894	1	833,865	-	1,148,230	1
		<u>\$ 2,942,899</u>	<u>5</u>	<u>\$ 2,961,083</u>	<u>5</u>	<u>\$ 8,191,987</u>	<u>5</u>	<u>\$ 9,764,336</u>	<u>5</u>
9750 Basic earnings per share	6(32)	\$ 2.76		\$ 2.67		\$ 7.66		\$ 7.95	
9850 Diluted earnings per share	6(32)	\$ 2.76		\$ 2.67		\$ 7.65		\$ 7.94	

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

Retained earnings

Other equity interest

	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
<i>For the nine-month period ended September 30, 2019</i>											
Balance at January 1, 2019		\$ 10,396,223	\$ 45,059	\$ 12,293,442	\$ 398,859	\$ 12,064,862	( \$ 279,829)	\$ 333,434	\$ 35,252,050	\$ 8,772,977	\$ 44,025,027
Profit for the period		-	-	-	-	8,269,957	-	-	8,269,957	1,091,765	9,361,722
Other comprehensive income for the period	6(23)	-	-	-	-	-	257,660	88,489	346,149	56,465	402,614
Total comprehensive income for the period		-	-	-	-	8,269,957	257,660	88,489	8,616,106	1,148,230	9,764,336
Distribution of 2018 earnings:	6(22)										
Legal reserve		-	-	1,020,639	-	( 1,020,639)	-	-	-	-	-
Special reserve		-	-	-	( 398,859)	398,859	-	-	-	-	-
Cash dividends		-	-	-	-	( 9,148,676)	-	-	( 9,148,676)	-	( 9,148,676)
Non-controlling interest		-	-	-	-	-	-	-	-	( 1,354,582)	( 1,354,582)
Overdue unclaimed cash dividend transferred to capital surplus		-	562	-	-	-	-	-	562	-	562
Adjustment of capital surplus due to associates' adjustment of capital surplus		-	333	-	-	-	-	-	333	-	333
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	668	-	-	668	-	668
Balance at September 30, 2019		\$ 10,396,223	\$ 45,954	\$ 13,314,081	\$ -	\$ 10,565,031	( \$ 22,169)	\$ 421,923	\$ 34,721,043	\$ 8,566,625	\$ 43,287,668
<i>For the nine-month period ended September 30, 2020</i>											
Balance at January 1, 2020		\$ 10,396,223	\$ 46,884	\$ 13,314,081	\$ -	\$ 12,845,880	( \$ 869,908)	\$ 489,721	\$ 36,222,881	\$ 9,004,437	\$ 45,227,318
Profit for the period		-	-	-	-	7,965,340	-	-	7,965,340	804,963	8,770,303
Other comprehensive (loss) income for the period	6(23)	-	-	-	-	-	( 644,807)	37,589	( 607,218)	28,902	( 578,316)
Total comprehensive (loss) income for the period		-	-	-	-	7,965,340	( 644,807)	37,589	7,358,122	833,865	8,191,987
Distribution of 2019 earnings:	6(22)										
Legal reserve		-	-	1,055,147	-	( 1,055,147)	-	-	-	-	-
Special reserve		-	-	-	380,187	( 380,187)	-	-	-	-	-
Cash dividends		-	-	-	-	( 9,356,600)	-	-	( 9,356,600)	-	( 9,356,600)
Non-controlling interest		-	-	-	-	-	-	-	-	( 1,118,496)	( 1,118,496)
Disposal of financial instruments designated at fair value through other comprehensive income of associates		-	-	-	-	1,102	-	-	1,102	-	1,102
Balance at September 30, 2020		\$ 10,396,223	\$ 46,884	\$ 14,369,228	\$ 380,187	\$ 10,020,388	( \$ 1,514,715)	\$ 527,310	\$ 34,225,505	\$ 8,719,806	\$ 42,945,311

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)

		For the nine-month periods ended September 30	
	Notes	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Consolidated profit before income tax for the period		\$ 10,541,666	\$ 11,591,200
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 through profit or loss	6(2)	( 7,926 )	( 6,900 )
Expected credit losses	12(2)	17,410	6,947
Depreciation expense	6(7)(8)	14,413,001	13,450,635
Amortization expense		417,591	433,350
Depreciation on investment property	6(10)	12,697	12,773
Finance costs	6(30)	969,321	894,008
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 335,448 )	( 385,778 )
(Gain) loss on disposal of property, plant and equipment, net	6(29)	( 35,387 )	23,380
Gain on disposal of investment property, net		( 2,682 )	-
Gain from lease modification	6(29)	( 56,763 )	-
Interest income	6(27)	( 425,715 )	( 616,912 )
Dividend income	6(28)	( 60,312 )	( 47,491 )
Other income recognized from rent concessions	6(8)	( 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		( 349,467 )	( 732,122 )
Accounts receivable		251,815	( 253,290 )
Other receivables		( 1,258,424 )	( 778,784 )
Inventories		949,802	2,355,509
Prepayments		( 303,856 )	( 313,372 )
Other current assets		( 319,745 )	158,272
Net changes in liabilities relating to operating activities			
Contract liabilities – current		1,598,227	573,366
Accounts payable		2,627,012	3,949,878
Notes payable		( 89,277 )	1,197,300
Other payables		( 2,664,938 )	316,553
Advance receipts		383,338	( 132,935 )
Contract liabilities – non-current		109,541	170,729
Net defined benefit liabilities		8,125	( 3,730 )
Cash generated from operations		26,288,915	31,862,586
Interest received		436,211	629,415
Income tax paid		( 2,447,703 )	( 3,077,503 )
Interest paid		( 969,373 )	( 894,216 )
Dividends received		799,802	268,235
Net cash provided by operating activities		24,107,852	28,788,517

(Continued)

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

		For the nine-month	
		periods ended September 30	
	Notes	2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment	6(33)	( \$ 5,993,820 )	( \$ 5,105,924 )
Proceeds from disposal of property, plant and equipment		209,784	155,178
Return of capital from financial assets at fair value through profit or loss		42	-
Return of capital from financial assets at fair value through other comprehensive income		-	200,000
Proceeds from disposal of investment property		15,423	-
Guarantee deposits paid		( 132,937 )	( 136,684 )
Acquisition of intangible assets	6(11)	( 113,746 )	( 46,471 )
Decrease (increase) in other non-current assets		262,573	( 115,321 )
Net cash used in investing activities		( 5,752,681 )	( 5,049,222 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase (decrease) in short-term borrowings	6(34)	3,239,925	( 1,289,672 )
Proceeds from long-term borrowings	6(34)	213,650	101,000
Repayment of long-term borrowings	6(34)	( 202,724 )	( 461,485 )
Payments of lease liability	6(8)(34)	( 8,715,296 )	( 8,189,563 )
Guarantee deposits received	6(34)	137,049	97,630
Decrease in other non-current liabilities	6(34)	( 19,517 )	( 225,740 )
Change in non-controlling interests		( 1,794 )	( 45,152 )
Payment of cash dividends - the company	6(22)	( 9,356,600 )	( 9,148,676 )
Payment of cash dividends - subsidiaries		( 1,116,702 )	( 1,309,430 )
Net cash used in financing activities		( 15,822,009 )	( 20,471,088 )
Effect of foreign exchange rate changes on cash and cash equivalents		( 615,905 )	314,125
Increase in cash and cash equivalents		1,917,257	3,582,332
Cash and cash equivalents at beginning of period		45,445,395	48,530,648
Cash and cash equivalents at end of period		\$ 47,362,652	\$ 52,112,980

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, 2020 AND 2019**

(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. 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 October 30, 2020.

**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 as endorsed by FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 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’

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

- (a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

(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 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

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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to 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 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 – 2020	January 1, 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform—Phase 2'	January 1, 2021

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, 2019. 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, 2019.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less the present value of defined benefit obligations.
- B. The preparation of financial statements, in 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. The basis for preparation of consolidated financial statements is as follows:
- (a) The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2019.
  - (b) The details of the individual financial statements of the Company’s subsidiaries reviewed or unreviewed by the independent accountants are summarized below:

Name of the subsidiaries	September 30, 2020	September 30, 2019
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, 2019 were audited by other independent accountants, and the financial statements of other subsidiaries were audited by the same independent accountants as that appointed by the Company.

B. The subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
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.	Life and property insurance	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.	Enterprise management consultancy	100.00	100.00	100.00	
The Company	ICASH Corp.	Electronic ticketing and electronic payment	100.00	100.00	100.00	
The Company	Uni-President Superior Commissary Corp.	Fresh food manufacture	90.00	90.00	90.00	
The Company	Q-ware Systems & Services Corp.	Information software services	86.76	86.76	86.76	
The Company	President Information Corp.	Enterprise information management and consultancy	86.00	86.00	86.00	
The Company	Mech-President Corp.	Gas station, installment and maintenance of elevators	80.87	80.87	80.87	
The Company	President Pharmaceutical Corp.	Sales of various health care products, cosmetics, and pharmaceuticals	73.74	73.74	73.74	
The Company	President Collect Service Corp.	Collection agent	70.00	70.00	70.00	
The Company	Uni-President Department Store Corp.	Department stores	70.00	70.00	70.00	
The Company	President Transnet Corp.	Delivery service	70.00	70.00	70.00	
The Company	Uni-President Cold-Chain Corp.	Low-temperature logistics and warehousing	60.00	60.00	60.00	
The Company	Uni-Wonder Corp.	Coffee chain store	60.00	60.00	60.00	
The Company	Duskin Serve Taiwan Co., Ltd.	Cleaning instruments leasing and selling	51.00	51.00	51.00	
The Company	Books.com. Co., Ltd.	Retail business without shop	50.03	50.03	50.03	
The Company	Retail Support International Corp.	Room-temperature logistics and warehousing	25.00	25.00	25.00	(a)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
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	
Books.com. Co., Ltd.	Books.com. (BVI) Ltd.	Professional investment	-	100.00	100.00	(b)
Books.com. (BVI) Ltd.	Beijing Bokelai Customer Co.	Enterprise information consulting, network technology development and services	-	100.00	100.00	(c)
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	Operation of chain store	52.22	52.22	52.22	
Philippine Seven Corporation	Convenience Distribution Inc.	Logistics and warehousing	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.	Operation of chain store	100.00	100.00	100.00	



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
President Chain Store (Hong Kong) Holdings Limited	Shanghai President Logistics Co., Ltd.	Logistics and warehousing	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	Shan Dong President Yinzuo Commercial Limited	Supermarkets	40.00	40.00	40.00	
President Chain Store (Hong Kong) Holdings Limited	Shanghai Cold Stone Ice Cream Corporation Ltd.	Sales of ice cream	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Taizhou) Ltd.	Logistics and warehousing	100.00	100.00	100.00	
President Chain Store (Hong Kong) Holdings Limited	President Chain Store (Zhejiang) Ltd.	Operation of chain 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 liquidated the subsidiary, Books.com. (BVI) Ltd., and the process of cancellation of registration has been completed in August 2020.

(c) The Company liquidated the subsidiary, Beijing Bokelai Customer Co., and the process of cancellation of registration has been completed in July 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 were no significant changes during the period. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2019.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Cash on hand and petty cash	\$ 1,675,205	\$ 1,680,411	\$ 1,289,869
Checking accounts and demand deposits	13,330,741	9,606,131	18,051,327
Cash equivalents			
Time deposits	25,034,086	26,620,058	26,851,598
Short-term financial instruments	<u>7,322,620</u>	<u>7,538,795</u>	<u>5,920,186</u>
	<u>\$ 47,362,652</u>	<u>\$ 45,445,395</u>	<u>\$ 52,112,980</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, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Financial assets mandatorily measured at fair value through profit or loss			
<u>Current items:</u>			
Beneficiary certificates	\$ 2,052,937	\$ 1,696,276	\$ 1,583,016
Valuation adjustment	<u>756</u>	<u>24</u>	<u>231</u>
	<u>\$ 2,053,693</u>	<u>\$ 1,696,300</u>	<u>\$ 1,583,247</u>
<u>Non-current items:</u>			
Unlisted stocks	\$ 275,243	\$ 275,285	\$ 275,553
Valuation adjustment	( <u>189,720</u> )	( <u>189,720</u> )	( <u>189,988</u> )
	<u>\$ 85,523</u>	<u>\$ 85,565</u>	<u>\$ 85,565</u>

- A. The Group recognized net profit of \$7,926 and \$6,900 in relation to financial assets at fair value through profit or loss for the nine-month periods ended September 30, 2020 and 2019, 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, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Accounts receivable	\$ 5,603,836	\$ 5,864,309	\$ 5,566,477
Less: Allowance for doubtful accounts	( <u>64,580</u> )	( <u>55,829</u> )	( <u>55,561</u> )
	<u>\$ 5,539,256</u>	<u>\$ 5,808,480</u>	<u>\$ 5,510,916</u>

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Not past due	\$ 5,372,664	\$ 5,508,376	\$ 5,149,135
Up to 90 days	219,922	335,189	406,527
91 to 180 days	8,841	18,625	9,910
181 to 365 days	2,409	63	905
Over 365 days	<u>-</u>	<u>2,056</u>	<u>-</u>
	<u>\$ 5,603,836</u>	<u>\$ 5,864,309</u>	<u>\$ 5,566,477</u>

The above aging analysis was based on past due date.

B. As of September 30, 2020, December 31, 2019 and September 30, 2019, accounts receivable were all from contracts with customers. And as of January 1, 2019, the balance of receivables from contracts with customers amounted to \$5,264,573.

C. As at September 30, 2020, December 31, 2019 and September 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$5,539,256, \$5,808,480, and \$5,510,916, respectively.

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

(4) Inventories

	<u>September 30, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and work in process	\$ 77,153	\$ -	\$ 77,153
Merchandise and finished goods	<u>14,717,348</u>	( <u>85,191</u> )	<u>14,632,157</u>
	<u>\$ 14,794,501</u>	<u>(\$ 85,191)</u>	<u>\$ 14,709,310</u>

	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and work in process	\$ 71,106	\$ -	\$ 71,106
Merchandise and finished goods	<u>15,712,547</u>	( <u>124,541</u> )	<u>15,588,006</u>
	<u>\$ 15,783,653</u>	<u>(\$ 124,541)</u>	<u>\$ 15,659,112</u>

	<u>September 30, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and work in process	\$ 66,512	\$ -	\$ 66,512
Merchandise and finished goods	<u>12,797,694</u>	( <u>98,058</u> )	<u>12,699,636</u>
	<u>\$ 12,864,206</u>	<u>(\$ 98,058)</u>	<u>\$ 12,766,148</u>

The cost of inventories recognized as expenses for the period:

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Cost of goods sold and service costs	\$ 43,993,997	\$ 42,750,127
(Gain on reversal) loss on valuation of inventories	( 288)	5,632
Spoilage	468,694	463,529
Others	<u>86,188</u>	<u>72,060</u>
	<u>\$ 44,548,591</u>	<u>\$ 43,291,348</u>

	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Cost of goods sold and service costs	\$ 124,710,217	\$ 123,808,172
(Gain on reversal) loss on valuation of inventories	( 39,350)	2,372
Spoilage	1,613,232	1,374,506
Others	<u>237,560</u>	<u>205,949</u>
	<u>\$ 126,521,659</u>	<u>\$ 125,390,999</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-month and nine-month periods ended September 30, 2020, respectively.

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
<u>Equity instruments</u>			
Listed stocks	\$ 265,606	\$ 265,606	\$ 265,606
Unlisted stocks	<u>4,348</u>	<u>4,348</u>	<u>4,348</u>
	269,954	269,954	269,954
Valuation adjustment	<u>577,747</u>	<u>537,161</u>	<u>469,730</u>
	<u>\$ 847,701</u>	<u>\$ 807,115</u>	<u>\$ 739,684</u>

A. The Group has elected to classify the listed and unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$847,701, \$807,115 and \$739,684 as at September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

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

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ <u>94,923</u>	(\$ <u>33,403</u> )
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ <u>-</u>	\$ <u>-</u>
Interest income recognized in profit or loss	\$ <u>-</u>	\$ <u>-</u>
	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ <u>40,586</u>	\$ <u>95,070</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ <u>-</u>	(\$ <u>783</u> )
Interest income recognized in profit or loss	\$ <u>-</u>	\$ <u>1,180</u>

C. As at September 30, 2020, December 31, 2019 and September 30, 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$847,701, \$807,115, and \$739,684, 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, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
<u>Associates</u>			
PresiCarre Corp.	\$ 5,390,163	\$ 5,723,198	\$ 5,678,150
President Fair Development Corp.	2,070,274	2,039,406	2,013,938
Uni-President Development Corp.	749,034	764,191	751,128
President International Development Corp.	449,069	459,696	465,259
Uni-President Organics Corp.	40,938	41,430	39,338
Tung Ho Development Corp.	34,751	106,384	108,792
President Technology Corp.	20,274	20,866	18,340
	<u>8,754,503</u>	<u>9,155,171</u>	<u>9,074,945</u>
<u>Joint ventures</u>			
Mister Donut Taiwan Corp., Ltd.	\$ 89,989	\$ 100,768	\$ 96,015
	<u>\$ 8,844,492</u>	<u>\$ 9,255,939</u>	<u>\$ 9,170,960</u>

A. The Group's investments accounted for using the equity method are based on the unreviewed financial statements of investees.

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

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

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Total comprehensive income	\$ <u>91,668</u>	\$ <u>146,018</u>
	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Total comprehensive income	\$ <u>324,248</u>	\$ <u>381,030</u>

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

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Total comprehensive income	\$ <u>6,161</u>	\$ <u>2,693</u>
	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Total comprehensive income	\$ <u>2,691</u>	\$ <u>9,091</u>

(7) Property, plant and equipment

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

	2020						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>							
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	<u>331</u>	<u>( 358)</u>	<u>( 90)</u>	<u>( 2,479)</u>	<u>16,412</u>	<u>37,317</u>	<u>51,133</u>
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>
<u>At September 30</u>							
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>

	2019						
	Land	Buildings	Transportation equipment	Operating equipment	Leasehold improvements	Others	Total
<u>At January 1</u>							
Cost	\$ 2,273,117	\$ 4,723,111	\$ 6,612,878	\$ 21,159,733	\$ 18,345,784	\$ 9,627,520	\$ 62,742,143
Accumulated depreciation and impairment	( 16,367)	( 1,980,005)	( 4,345,461)	( 14,386,751)	( 11,375,011)	( 5,345,785)	( 37,449,380)
	<u>\$ 2,256,750</u>	<u>\$ 2,743,106</u>	<u>\$ 2,267,417</u>	<u>\$ 6,772,982</u>	<u>\$ 6,970,773</u>	<u>\$ 4,281,735</u>	<u>\$ 25,292,763</u>
Opening net book amount as of January 1	\$ 2,256,750	\$ 2,743,106	\$ 2,267,417	\$ 6,772,982	\$ 6,970,773	\$ 4,281,735	\$ 25,292,763
Effect of adoption of IFRS 16	-	-	-	-	( 387,770)	( 8,463)	( 396,233)
Adjusted beginning balance	<u>\$ 2,256,750</u>	<u>\$ 2,743,106</u>	<u>\$ 2,267,417</u>	<u>\$ 6,772,982</u>	<u>\$ 6,583,003</u>	<u>\$ 4,273,272</u>	<u>\$ 24,896,530</u>
Additions	-	99,820	169,162	1,999,943	1,428,463	1,323,208	5,020,596
Disposals	-	-	( 20,709)	( 84,911)	( 69,249)	( 3,689)	( 178,558)
Transfer	( 18,757)	30,199	84,974	110,127	172,732	( 350,171)	29,104
Depreciation charge	-	( 152,273)	( 392,493)	( 1,658,477)	( 1,384,694)	( 997,030)	( 4,584,967)
Net exchange differences	<u>571</u>	<u>( 2,921)</u>	<u>( 684)</u>	<u>( 12,750)</u>	<u>40,348</u>	<u>52,831</u>	<u>77,395</u>
Closing net book amount as of September 30	<u>\$ 2,238,564</u>	<u>\$ 2,717,931</u>	<u>\$ 2,107,667</u>	<u>\$ 7,126,914</u>	<u>\$ 6,770,603</u>	<u>\$ 4,298,421</u>	<u>\$ 25,260,100</u>
<u>At September 30</u>							
Cost	\$ 2,254,930	\$ 4,771,041	\$ 6,563,496	\$ 21,791,858	\$ 18,759,192	\$ 10,652,783	\$ 64,793,300
Accumulated depreciation and impairment	( 16,366)	( 2,053,110)	( 4,455,829)	( 14,664,944)	( 11,988,589)	( 6,354,362)	( 39,533,200)
	<u>\$ 2,238,564</u>	<u>\$ 2,717,931</u>	<u>\$ 2,107,667</u>	<u>\$ 7,126,914</u>	<u>\$ 6,770,603</u>	<u>\$ 4,298,421</u>	<u>\$ 25,260,100</u>

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

C. Information on 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, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 590,542	\$ 677,359	\$ 686,130
Buildings	70,413,107	66,682,465	52,262,572
Machinery and equipment	46,448	72,211	82,801
Other equipment	66,630	57,577	345,467
	<u>\$ 71,116,727</u>	<u>\$ 67,489,612</u>	<u>\$ 53,376,970</u>

	<u>For the three-month period ended September 30, 2020</u>	<u>For the three-month period ended September 30, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 36,124	\$ 35,029
Buildings	3,137,699	2,926,455
Machinery and equipment	8,127	10,239
Other equipment	7,457	24,594
	<u>\$ 3,189,407</u>	<u>2,996,317</u>

	<u>For the nine-month period ended September 30, 2020</u>	<u>For the nine-month period ended September 30, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 107,748	\$ 102,154
Buildings	9,259,173	8,661,943
Machinery and equipment	25,763	29,411
Other equipment	20,283	72,160
	<u>\$ 9,412,967</u>	<u>\$ 8,865,668</u>

C. For the three-month and nine-month periods ended September 30, 2020 and 2019, the additions to right-of-use assets were \$5,408,470, \$4,471,322, \$14,253,532 and \$10,592,609, respectively.

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

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 282,397	\$ 259,658
Expense on short-term lease contracts	108,356	435,657
Expense on leases of low-value assets	15,534	24,700
Expense on variable lease payments	145,537	245,676
Gain on sublease of right-of-use assets	138,038	179,798
Gain from lease modification	16,838	-

	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 853,256	\$ 801,325
Expense on short-term lease contracts	332,928	540,110
Expense on leases of low-value assets	46,217	52,717
Expense on variable lease payments	383,501	448,494
Gain on sublease of right-of-use assets	402,032	401,497
Gain from lease modification	56,763	-

E. For the nine-month periods ended September 30, 2020 and 2019, the Group's total cash outflow for leases was \$10,331,198 and \$10,032,209, respectively.

F. Variable lease payments

- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or department store counter. For the above-mentioned stores, approximately 3.48% and 4.19% as at September 30, 2020 and 2019, 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 \$3,835 and \$4,485 for the nine-month periods ended September 30, 2020 and 2019, 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, 2020, December 31, 2019 and September 30, 2019, amounted to \$2,497,726, \$2,597,780 and \$17,011,846, respectively.

H. The Group has applied the practical expedient to "Covid-19-related rent concessions" and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$100,691, as other income for the nine-month period ended September 30, 2020.

(9) Leasing arrangements – lessor

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

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

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Rental revenue	\$ 455,593	\$ 403,267
Rental revenue from variable lease payments	\$ 365,894	\$ 316,409
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Rental revenue	\$ 1,127,348	\$ 1,140,762
Rental revenue from variable lease payments	\$ 864,161	\$ 876,429

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

	September 30, 2020	December 31, 2019	September 30, 2019
Current year	\$ 68,820	\$ -	\$ 178,210
Within 1 year	238,730	256,072	326,796
1~2 years	175,378	206,455	263,478
2~3 years	116,812	148,086	206,337
3~4 years	67,646	90,464	146,460
4~5 years	55,669	60,519	107,595
Over 5 years	124,807	158,193	293,089
Total	\$ 847,862	\$ 919,789	\$ 1,521,965

The above maturity analysis was based on the period ended December 31.

(10) Investment property

	2020		
	Land	Buildings	Total
At January 1	\$ 1,078,295	\$ 428,503	\$ 1,506,798
Depreciation charge	-	( 12,697)	( 12,697)
Disposal	( 3,987)	( 8,754)	( 12,741)
At September 30	\$ 1,074,308	\$ 407,052	\$ 1,481,360
	2019		
	Land	Buildings	Total
At January 1	\$ 1,059,538	\$ 442,621	\$ 1,502,159
Depreciation charge	-	( 12,773)	( 12,773)
Transfer	18,757	2,913	21,670
At September 30	\$ 1,078,295	\$ 432,761	\$ 1,511,056

1. The fair value of the investment property held by the Group ranged from \$3,775,055 to \$4,113,896 at September 30, 2020, December 31, 2019 and September 30, 2019, which was assessed based on recent settlement prices of similar and comparable properties, as well as the reports of independent appraisers, which is categorized within level 3 in the fair value hierarchy.
2. Information on investment property pledged to others as collateral is provided in Note 8.

(11) Intangible assets

	2020				
	Software	Goodwill	License agreement and customer list	Others	Total
<u>At January 1</u>					
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>
<u>At September 30</u>					
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>
	2019				
	Software	Goodwill	License agreement and customer list	Others	Total
<u>At January 1</u>					
Cost	\$ 1,648,652	\$ 2,204,284	\$ 7,524,890	\$ 469,957	\$11,847,783
Accumulated amortization and impairment	( 1,164,405)	-	( 194,160)	( 95,338)	( 1,453,903)
	<u>\$ 484,247</u>	<u>\$ 2,204,284</u>	<u>\$ 7,330,730</u>	<u>\$ 374,619</u>	<u>\$10,393,880</u>
Opening net book amount as of January 1	\$ 484,247	\$ 2,204,284	\$ 7,330,730	\$ 374,619	\$10,393,880
Additions	39,761	-	-	6,710	46,471
Transfer	41,785	-	-	5,259	47,044
Amortization expense	( 176,291)	-	( 145,619)	( 33,471)	( 355,381)
Net exchange differences	( 1,372)	601	-	127	( 644)
Closing net book amount as of September 30	<u>\$ 388,130</u>	<u>\$ 2,204,885</u>	<u>\$ 7,185,111</u>	<u>\$ 353,244</u>	<u>\$10,131,370</u>
<u>At September 30</u>					
Cost	\$ 1,715,582	\$ 2,204,885	\$ 7,524,890	\$ 479,850	\$11,925,207
Accumulated amortization and impairment	( 1,327,452)	-	( 339,779)	( 126,606)	( 1,793,837)
	<u>\$ 388,130</u>	<u>\$ 2,204,885</u>	<u>\$ 7,185,111</u>	<u>\$ 353,244</u>	<u>\$10,131,370</u>

Amortization expense on intangible assets are recognized as operating expenses.

(12) Other non-current assets

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Guarantee deposits paid	\$ 3,044,824	\$ 2,911,887	\$ 2,903,597
Others	446,443	787,932	390,716
	<u>\$ 3,491,267</u>	<u>\$ 3,699,819</u>	<u>\$ 3,294,313</u>

(13) Impairment of non-financial assets

- A. There were no impairment loss nor reversal of impairment loss recognized for the nine-month periods ended September 30, 2020 and 2019.
- 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, 2019, 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, 2019.

(14) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit loan	\$ 9,254,583	0.52%~5.00%	None
<u>Type of borrowings</u>	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit loan	\$ 6,014,658	0.65%~5.75%	None
<u>Type of borrowings</u>	<u>September 30, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Credit loan	\$ 5,948,113	0.65%~6.00%	None

There was no capitalization of borrowing costs for the nine-month periods ended September 30, 2020 and 2019. Relevant interest expense on borrowings is recognized as “finance costs”.

(15) Other payables

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Store collections	\$ 10,502,864	\$ 11,453,224	\$ 14,305,792
Wages, salaries and bonus payable	5,085,612	5,206,353	5,001,371
Sales receipt on behalf of others	1,447,000	1,345,877	989,538
Incentive bonus payable to franchisees	1,002,501	1,158,473	964,824
Payables for acquisition of property, plant and equipment	786,337	1,364,370	829,229
Employees' compensation and remuneration for directors and supervisors	660,464	872,361	671,964
Payables for labor and health insurance	251,087	248,584	238,796
Rent payable	62,955	66,133	59,068
Others	<u>3,784,202</u>	<u>4,881,130</u>	<u>4,216,297</u>
	<u>\$ 23,583,022</u>	<u>\$ 26,596,505</u>	<u>\$ 27,276,879</u>

(16) Other current liabilities

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Advance receipts for gift certificates	\$ 1,457,476	\$ 1,351,370	\$ 1,293,164
Advance receipts of deposits in ICASH cards	1,444,859	1,298,919	1,254,428
Current portion of long-term liabilities	233,323	221,888	315,429
Others	<u>408,706</u>	<u>277,414</u>	<u>244,151</u>
	<u>\$ 3,544,364</u>	<u>\$ 3,149,591</u>	<u>\$ 3,107,172</u>

(17) Long-term borrowings

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

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2019</u>
<u>Long-term bank borrowings</u>			
Credit loan	4.88%~5.32%	None	\$ 292,288
Secured borrowings	1.67%~1.96%	Property, plant and equipment	<u>437,712</u>
			730,000
Less: Current portion			( <u>221,888</u> )
			<u>\$ 508,112</u>

<u>Type of borrowings</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2019</u>
<u>Long-term bank borrowings</u>			
Credit loan	4.88%~6.69%	None	\$ 414,938
Secured borrowings	1.72%~1.96%	Property, plant and equipment	<u>419,495</u>
			834,433
Less: Current portion			( <u>315,429</u> )
			<u>\$ 519,004</u>

There was no capitalization of borrowing costs for the nine-month periods ended September 30, 2020 and 2019. Relevant interest expense on borrowings is recognized as “finance costs”.

(18) Pensions

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

additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~8% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March. Furthermore, the subsidiary, Philippine Seven Corporation has defined benefit pension plan.

For the aforementioned pension plan, the Group recognized pension costs of \$32,890, \$35,298, \$98,722, and \$105,707 for the three-month and nine-month periods ended September 30, 2020 and 2019, 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-month periods ended September 30, 2020 and 2019 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-month and nine-month periods ended September 30, 2020 and 2019 were \$234,756, \$238,040, \$696,628 and \$714,478, respectively.

(19) Other non-current liabilities

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Guarantee deposit received	\$ 3,697,534	\$ 3,560,485	\$ 3,510,895
Provision for decommissioning liability	558,951	508,707	498,996
Others	<u>280,111</u>	<u>299,628</u>	<u>296,018</u>
	<u>\$ 4,536,596</u>	<u>\$ 4,368,820</u>	<u>\$ 4,305,909</u>

(20) Share capital

As of September 30, 2020, 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, 2020 and January 1, 2020.

(21) Capital surplus

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

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, must first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount is to be set aside as a legal reserve. The Company may then set aside or reserve a certain amount as special reverse according to the relevant regulations. The appropriation of the remaining earnings and prior years' unappropriated retained earnings should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends and bonus to be distributed to shareholders may be 50%-100% of the total distributable amount, and 50%-100% of dividends are to be distributed as cash dividends, and the remaining undistributed amount to be set aside as unappropriated retained earnings.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside a special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount should be included in the distributable earnings.
- D. The appropriations for 2019 and 2018 were resolved by the shareholders on June 17, 2020 and June 12, 2019, respectively, as follows:

	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 1,055,147		\$ 1,020,639	
Special reserve appropriated (reversal)	380,187		( 398,859)	
Cash dividends	9,356,600	\$ 9.00	9,148,676	\$ 8.80

(23) Other equity items

	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:			
–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)



	2019		
	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	(\$ 279,829)	\$ 333,434	\$ 53,605
Revaluation:			
–Group	-	94,287	94,287
–Associates	-	2,132	2,132
Revaluation-tax	-	( 7,930)	( 7,930)
Currency translation differences:			
–Group	255,449	-	255,449
–Associates	2,211	-	2,211
At September 30	(\$ 22,169)	\$ 421,923	\$ 399,754

(24) Operating revenue

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Revenue from contracts with customers	\$ 67,803,926	\$ 66,088,666
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Revenue from contracts with customers	\$ 192,346,204	\$ 191,121,985

A. Disaggregation of revenue from contracts with customers

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

For the three-month period 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
	\$ 44,482,905	\$ 17,417,775	\$ 533,708	\$ 5,369,538	\$ 67,803,926
For the three-month period ended September 30, 2019	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
–At a point in time	\$ 40,816,692	\$ 15,810,313	\$ 293,658	\$ 5,279,012	\$ 62,199,675
–Over time	134,122	3,288,669	222,170	244,030	3,888,991
	\$ 40,950,814	\$ 19,098,982	\$ 515,828	\$ 5,523,042	\$ 66,088,666

For the nine-month period 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	<u>609,417</u>	<u>10,694,344</u>	<u>1,046,741</u>	<u>563,669</u>	<u>12,914,171</u>
	<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>
For the nine-month period ended September 30, 2019	Convenience stores	Retail business group	Logistics business group	Others	Total
Timing of revenue recognition					
–At a point in time	\$ 117,789,512	\$ 46,422,331	\$ 884,291	\$14,634,939	\$179,731,073
–Over time	<u>385,575</u>	<u>9,583,708</u>	<u>686,609</u>	<u>735,020</u>	<u>11,390,912</u>
	<u>\$ 118,175,087</u>	<u>\$ 56,006,039</u>	<u>\$ 1,570,900</u>	<u>\$15,369,959</u>	<u>\$191,121,985</u>

## B. Contract liabilities

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>	<u>January 1, 2019</u>
Contract liabilities – advance receipts of gift certificates and gift cards	\$ 3,304,218	\$ 1,786,894	\$ 1,869,830	\$ 1,392,390
Contract liabilities – members’ deposits	813,595	793,115	801,820	764,782
Contract liabilities – franchise fee	436,290	444,470	340,467	230,812
Contract liabilities – customer loyalty programs	722,913	503,861	417,274	344,970
Contract liabilities – others	<u>322,383</u>	<u>363,291</u>	<u>392,314</u>	<u>344,656</u>
	<u>\$ 5,599,399</u>	<u>\$ 3,891,631</u>	<u>\$ 3,821,705</u>	<u>\$ 3,077,610</u>
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>	<u>January 1, 2019</u>
Contract liabilities – current	\$ 5,041,610	\$ 3,443,383	\$ 3,416,555	\$ 2,843,189
Contract liabilities – non-current	<u>557,789</u>	<u>448,248</u>	<u>405,150</u>	<u>234,421</u>
	<u>\$ 5,599,399</u>	<u>\$ 3,891,631</u>	<u>\$ 3,821,705</u>	<u>\$ 3,077,610</u>

(b) Revenues recognized that were included in the contract liabilities balance at the beginning were \$1,968,886 and \$2,173,785 for the nine-month periods ended September 30, 2020 and 2019, respectively.

(25) Expenses by nature

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Net cost of goods sold	\$ 39,803,225	\$ 38,650,692
Employee benefit expense	6,604,003	6,797,177
Incentive bonuses for franchisees	6,065,625	5,781,699
Depreciation and amortization	5,046,603	4,696,329
Utilities expense	998,934	1,271,238
Operating lease payments	269,427	706,033
Other costs and expenses	5,513,082	4,779,419
Total operating costs and operating expenses	<u>\$ 64,300,899</u>	<u>\$ 62,682,587</u>
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Net cost of goods sold	\$ 112,772,264	\$ 111,940,869
Employee benefit expense	19,498,686	19,638,505
Incentive bonuses for franchisees	17,020,733	16,377,993
Depreciation and amortization	14,830,592	13,883,985
Utilities expense	3,180,362	3,375,551
Operating lease payments	762,646	1,041,321
Other costs and expenses	15,005,000	14,897,276
Total operating costs and operating expenses	<u>\$ 183,070,283</u>	<u>\$ 181,155,500</u>

(26) Employee benefit expense

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Wages and salaries	\$ 5,463,903	\$ 5,629,754
Labor and health insurance fees	475,648	496,623
Pension costs	267,646	273,338
Other personnel expenses	396,806	397,462
	<u>\$ 6,604,003</u>	<u>\$ 6,797,177</u>
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Wages and salaries	\$ 16,110,915	\$ 16,197,470
Labor and health insurance fees	1,448,261	1,509,699
Pension costs	795,350	820,185
Other personnel expenses	1,144,160	1,111,151
	<u>\$ 19,498,686</u>	<u>\$ 19,638,505</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' and supervisors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the three-month and nine-month periods ended September 30, 2020 and 2019, employees' compensation was accrued at \$155,006, \$149,580, \$420,693 and \$442,439, respectively; while directors' and supervisors' remuneration was accrued at \$51,787, \$49,974, \$140,552 and \$147,817, respectively.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 4.37% and 1.46% of distributable profit of the current period for the nine-month periods ended September 30, 2020, respectively.

Employees' compensation and directors' and supervisors' remuneration for 2019 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2019 financial statements and the employee's compensation will be distributed in form of cash.

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

(27) Interest income

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Interest income	\$ <u>110,057</u>	\$ <u>205,959</u>
	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Interest income	\$ <u>425,715</u>	\$ <u>616,912</u>

(28) Other income

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Grants income	\$ 190,913	\$ 175,366
Rental revenue	72,331	72,548
Dividend income	-	257
Others	<u>221,703</u>	<u>187,784</u>
	\$ <u>484,947</u>	\$ <u>435,955</u>
	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Grants income	\$ 535,707	\$ 499,090
Rental revenue	211,556	221,920
Dividend income	60,312	47,491
Others	<u>617,009</u>	<u>784,308</u>
	\$ <u>1,424,584</u>	\$ <u>1,552,809</u>

(29) Other gains and losses

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Gain (loss) on disposal of property, plant and equipment	\$ 19,636	(\$ 22,287)
Loss on disposal of investments	-	( 30)
Gain from lease modification	16,838	-
Other gains and losses	( 18,369)	22,030
	<u>\$ 18,105</u>	<u>(\$ 287)</u>
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Gain (loss) on disposal of property, plant and equipment	\$ 35,387	(\$ 23,380)
Loss on disposal of investments	-	( 3,462)
Gain from lease modification	56,763	-
Other gains and losses	( 42,831)	( 9,934)
	<u>\$ 49,319</u>	<u>(\$ 36,776)</u>

(30) Finance costs

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Interest expense	<u>\$ 318,979</u>	<u>\$ 287,679</u>
	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Interest expense	<u>\$ 969,321</u>	<u>\$ 894,008</u>

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Current tax:		
Current tax on profit for the period	\$ 872,560	\$ 778,872
Tax on undistributed surplus earnings	-	-
Under (over) provision of prior year's income tax	1,130	( 6,289)
Total current tax	<u>873,690</u>	<u>772,583</u>
Deferred tax:		
Origination and reversal of temporary differences	( 154,772)	4,095
Income tax expense	<u>\$ 718,918</u>	<u>\$ 776,678</u>

	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Current tax:		
Current tax on profit for the period	\$ 2,287,082	\$ 2,169,569
Tax on undistributed surplus earnings	-	20,212
Over provision of prior year's income tax	(203,623)	(5,292)
Total current tax	<u>2,083,459</u>	<u>2,184,489</u>
Deferred tax:		
Origination and reversal of temporary differences	(312,096)	44,989
Income tax expense	<u>\$ 1,771,363</u>	<u>\$ 2,229,478</u>

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

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Changes in fair value of financial assets at fair value through other comprehensive income	<u>\$ 2,083</u>	<u>(\$ 947)</u>

  

	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Changes in fair value of financial assets at fair value through other comprehensive income	<u>(\$ 2,669)</u>	<u>\$ 7,930</u>

B. The Company's income tax returns through tax year 2017 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>For the three-month period ended September 30, 2020</u>		
	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	-	589	
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>

<u>For the three-month period ended September 30, 2019</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,772,206	1,039,622	\$ 2.67
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,772,206	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	516	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,772,206	1,040,138	\$ 2.67
<u>For the nine-month period ended September 30, 2020</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<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
<u>For the nine-month period ended September 30, 2019</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,269,957	1,039,622	\$ 7.95
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 8,269,957	1,039,622	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,930	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 8,269,957	1,041,552	\$ 7.94

(33) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Purchase of property, plant and equipment	\$ 5,415,787	\$ 5,020,596
Add: Opening balance of payable on equipment	1,364,370	914,557
Less: Ending balance of payable on equipment	( 786,337)	( 829,229)
Cash paid during the period	<u>\$ 5,993,820</u>	<u>\$ 5,105,924</u>

B. Financing activities with no cash flow effects

	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Stock dividends paid – subsidiary	<u>\$ 128,866</u>	<u>\$ -</u>



(34) Changes in liabilities from financing activities

	2020						
	<u>Short-term borrowings</u>	<u>Dividend payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Guarantee deposits received</u>	<u>Other non-current liabilities</u>	<u>Liabilities from financing activities-gross</u>
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	-	<u>10,473,302</u>	<u>( 10,105)</u>	<u>13,559,891</u>	-	<u>50,244</u>	<u>24,073,332</u>
At September 30	<u>\$ 9,254,583</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>
	2019						
	<u>Short-term borrowings</u>	<u>Dividend payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Guarantee deposits received</u>	<u>Other non-current liabilities</u>	<u>Liabilities from financing activities-gross</u>
At January 1	\$ 7,237,785	\$ -	\$ 847,040	\$ 52,938,613	\$ 3,413,265	\$ 943,724	\$ 65,380,427
Changes in cash flow from financing activities	( 1,289,672)	( 10,458,106)	( 360,485)	( 8,189,563)	97,630	( 225,740)	( 20,425,936)
Impact of changes in foreign exchange rate	-	-	12,018	87,934	-	-	99,952
Changes in other non-cash items	-	<u>10,458,106</u>	<u>20,431</u>	<u>9,460,309</u>	-	<u>77,030</u>	<u>20,015,876</u>
At September 30	<u>\$ 5,948,113</u>	<u>\$ -</u>	<u>\$ 519,004</u>	<u>\$ 54,297,293</u>	<u>\$ 3,510,895</u>	<u>\$ 795,014</u>	<u>\$ 65,070,319</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, 2020.

### (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
President Fair Development Corp.	"
Uni-President Development Corp.	"
Presco Netmarketing Inc.	Subsidiary of ultimate parent company
Tait Marketing & Distribution Co., Ltd.	"
Tung Ang Enterprises Corp.	"
Lien-Bo Enterprises Corp.	"
President Packaging Corp.	"
President Tokyo Corp.	"
Shanghai Songjiang President Enterprises Co., Ltd.	"
Kai Ya Food Co., Ltd.	Sub-subsidiary of ultimate parent company
Kuang Chuan Dairy Corp.	Investee of ultimate parent company accounted for using the equity method
Weilih Food Industrial Co., Ltd.	"
Prince Housing Development Corp.	"
Tung Chan Enterprises Corp.	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>For the three-month period ended September 30, 2020</u>	<u>For the three-month period ended September 30, 2019</u>
<u>Sales of goods</u>		
Ultimate parent company	\$ 152,053	\$ 143,533
Associates	39,885	35,320
Sister companies	79,308	61,557
Other related parties	13,903	18,881
<u>Sales of services</u>		
Ultimate parent company	3,821	3,120
Associates	15,271	15,761
Sister companies	4,347	4,689
Other related parties	1,501	1,677
	<u>\$ 310,089</u>	<u>\$ 284,538</u>

	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
<u>Sales of goods</u>		
Ultimate parent company	\$ 429,876	\$ 433,371
Associates	102,631	105,458
Sister companies	244,420	188,245
Other related parties	43,512	56,812
<u>Sales of services</u>		
Ultimate parent company	12,871	9,536
Associates	46,249	45,607
Sister companies	11,128	10,688
Other related parties	3,659	4,333
	<u>\$ 894,346</u>	<u>\$ 854,050</u>

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

B. Purchases

	For the three-month period ended September 30, 2020	For the three-month period ended September 30, 2019
Ultimate parent company	\$ 4,470,443	\$ 4,328,793
Associates	53,380	57,433
Sister companies	1,550,671	1,291,677
Other related parties	560,773	698,498
	<u>\$ 6,635,267</u>	<u>\$ 6,376,401</u>

  

	For the nine-month period ended September 30, 2020	For the nine-month period ended September 30, 2019
Ultimate parent company	\$ 12,497,187	\$ 12,373,257
Associates	157,646	190,971
Sister companies	4,014,572	3,273,137
Other related parties	1,658,549	1,832,027
	<u>\$ 18,327,954</u>	<u>\$ 17,669,392</u>

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

C. Receivables from related parties

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Accounts receivable</u>			
Ultimate parent company	\$ 145,191	\$ 245,123	\$ 155,480
Associates	83,349	64,598	88,738
Sister companies	49,042	81,774	55,004
Other related parties	4,163	4,289	5,293
	<u>\$ 281,745</u>	<u>\$ 395,784</u>	<u>\$ 304,515</u>

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

D. Payables to related parties

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
<u>Notes payable and accounts payable</u>			
Ultimate parent company	\$ 1,824,048	\$ 1,765,350	\$ 2,977,454
Associates	63,633	65,907	65,609
Sister companies	709,683	583,883	851,106
Other related parties	<u>369,011</u>	<u>348,524</u>	<u>517,807</u>
	<u>\$ 2,966,375</u>	<u>\$ 2,763,664</u>	<u>\$ 4,411,976</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

	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Ultimate parent company	\$ 23,135	\$ 112,002
Associates	43,535	12,157
Sister companies	31,298	12,398
Other related parties	<u>-</u>	<u>513,952</u>
	<u>\$ 97,968</u>	<u>\$ 650,509</u>

On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by \$1,401,225.

(c) Lease expenses

	For the three-month period ended <u>September 30, 2020</u>	For the three-month period ended <u>September 30, 2019</u>
Ultimate parent company	\$ 217	\$ 796
Associates	19,686	14,009
Sister companies	3,557	562
Other related parties	<u>568</u>	<u>555</u>
	<u>\$ 24,028</u>	<u>\$ 15,922</u>

  

	For the nine-month period ended <u>September 30, 2020</u>	For the nine-month period ended <u>September 30, 2019</u>
Ultimate parent company	\$ 913	\$ 11,668
Associates	42,665	33,536
Sister companies	11,619	1,857
Other related parties	<u>1,697</u>	<u>1,339</u>
	<u>\$ 56,894</u>	<u>\$ 48,400</u>

(d) Lease liabilities

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Ultimate parent company	\$ 92,257	\$ 128,016	\$ 146,560
Associates	287,482	546,049	646,561
Sister companies	275,642	294,591	280,228
Other related parties	<u>486,430</u>	<u>524,690</u>	<u>537,372</u>
	<u>\$ 1,141,811</u>	<u>\$ 1,493,346</u>	<u>\$ 1,610,721</u>

(4) Key management compensation

	<u>For the three-month period ended September 30, 2020</u>	<u>For the three-month period ended September 30, 2019</u>
Short-term employee benefits	<u>\$ 152,524</u>	<u>\$ 157,535</u>
	<u>For the nine-month period ended September 30, 2020</u>	<u>For the nine-month period ended September 30, 2019</u>
Short-term employee benefits	<u>\$ 456,321</u>	<u>\$ 529,203</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>	
Land	\$ 218,675	\$ 128,643	\$ 128,643	Long-term and short-term borrowings, guarantee facilities and performance guarantee
Buildings	34,120	42,130	46,248	Long-term and short-term borrowings and guarantee facilities
Transportation equipment	699,330	591,493	565,016	Long-term borrowings
Investment property	56,924	-	-	Performance guarantee
Pledged time deposits (Recognized as "Other non-current assets – guarantee deposits paid")	<u>83,658</u>	<u>61,925</u>	<u>31,495</u>	Performance guarantee
	<u>\$ 1,092,707</u>	<u>\$ 824,191</u>	<u>\$ 771,402</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, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</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	\$ 2,139,216	\$ 1,781,865	\$ 1,668,812
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 847,701	\$ 807,115	\$ 739,684
Financial assets at amortized cost			
Cash and cash equivalents	\$ 47,362,652	\$ 45,445,395	\$ 52,112,980
Accounts receivable, net	5,539,256	5,808,480	5,510,916
Other receivables	2,708,281	1,460,354	2,301,736
Other current assets (Note)	2,358,423	2,172,863	2,120,440
Guarantee deposits paid	3,044,824	2,911,887	2,903,597
Other non-current assets (Note)	31,181	40,351	40,614
	<u>61,044,617</u>	<u>57,839,330</u>	<u>64,990,283</u>
	<u>\$ 64,031,534</u>	<u>\$ 60,428,310</u>	<u>\$ 67,398,779</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 9,254,583	\$ 6,014,658	\$ 5,948,113
Notes payable	1,125,425	1,214,702	3,063,910
Accounts payable (including related parties)	26,214,707	23,587,695	27,098,561
Other payables	23,583,022	26,596,505	27,276,879
Long-term borrowings (including current portion)	745,019	730,000	834,433
Guarantee deposits received	3,697,534	3,560,485	3,510,895
	<u>64,620,290</u>	<u>61,704,045</u>	<u>67,732,791</u>
Lease liabilities	<u>\$ 72,750,357</u>	<u>\$ 68,827,038</u>	<u>\$ 54,297,293</u>
	<u>\$ 137,370,647</u>	<u>\$ 130,531,083</u>	<u>\$ 122,030,084</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 abnormal, the treasury will respond accordingly and report to the Board of Directors immediately.
- (c) There is no related transaction about derivative financial instruments that are used to hedge certain exchange rate risk.

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

### (a) Market risk

#### Foreign exchange risk

- I. The 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:

	September 30, 2020			December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	\$ 1,624	29.1000	\$ 47,258	\$ 792	29.9800	\$ 23,744
RMB: NTD	1,155	4.2851	4,949	900	4.3055	3,875
JPY: NTD	39,699	0.2756	10,941	43,340	0.2760	11,962
HKD: NTD	662	3.7548	2,486	766	3.8478	2,947
EUR: NTD	203	34.1500	6,932	273	33.5900	9,170
<u>Non-monetary items</u>						
JPY: NTD	\$ 860,400	0.2756	\$ 237,126	\$ 907,500	0.2760	\$ 250,470
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	\$ 4,047	29.1000	\$ 117,768	\$ 3,610	29.9800	\$ 108,228
RMB: NTD	1,243	4.2851	5,326	996	4.3055	4,288
JPY: NTD	76,683	0.2756	21,134	52,532	0.2760	14,499

(Foreign currency: functional currency)	September 30, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 1,175	31.0400	\$ 36,472
RMB: NTD	470	4.3423	2,041
JPY: NTD	85,528	0.2878	24,615
HKD: NTD	1,687	3.9597	6,680
<u>Non-monetary items</u>			
JPY: NTD	\$ 835,200	0.2878	\$ 240,371
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 3,722	31.0400	\$ 115,531
RMB: NTD	834	4.3423	3,621
JPY:NTD	97,379	0.2878	28,026

- IV. Total exchange gain or loss, including realized and unrealized from significant foreign exchange variations on monetary items held by the Group amounted to \$3,487, (\$1,105), \$8,422 and (\$1,301) for the three-month and nine-month periods ended September 30, 2020 and 2019, 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-month periods ended September 30, 2020 and 2019 would increase/decrease by \$3,526 and \$3,953, respectively. Foreign exchange risk with respect to JPY primarily arises from the exchange gain or loss resulting from foreign currency translation of cash, financial assets at fair value through other comprehensive income – non-current and accounts payable denominated in JPY. If the NTD:JPY exchange rate appreciates/depreciates by 5%, with all other factors remaining constant, the Group's comprehensive income for the nine-month periods ended September 30, 2020 and 2019 would increase/decrease by \$11,347 and \$11,848, 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-month periods ended September 30, 2020 and 2019 would have increased/decreased by \$9,411 and \$8,236, respectively, as a result of gains/losses on equity securities and open-ended funds classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$42,385 and \$36,984, 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-month periods ended September 30, 2020 and 2019, 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-month periods ended September 30, 2020 and 2019 would have decreased/increased by \$1,863 and \$2,086, 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 assess 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 can not 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:

	<u>2020</u>
	<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>
	<u>2019</u>
	<u>Accounts receivable</u>
At January 1	\$ 55,464
Provision for impairment	6,947
Reversal of impairment	( 3,746)
Write-offs	( 1,599)
Effect of foreign exchange	( 1,505)
At September 30	<u>\$ 55,561</u>

- VI. The Group has no written-off financial assets that are still under recourse procedures on September 30, 2020, December 31, 2019 and September 30, 2019.

(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 \$2,053,693, \$1,696,300 and \$1,583,247 as at September 30, 2020, December 31, 2019, and September 30, 2019, respectively, which are expected to readily generate cash inflows for the purpose of managing liquidity risk.
- III. The Group has undrawn borrowing facilities of \$12,943,360, \$12,597,913 and \$13,613,541 as of September 30, 2020, December 31, 2019 and September 30, 2019, 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
<u>September 30, 2020</u>				
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

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
<u>December 31, 2019</u>				
Short-term borrowings	\$ 6,020,015	\$ -	\$ -	\$ -
Lease liabilities	12,331,925	12,256,464	10,678,168	37,312,481
Long-term borrowings (including current portion)	244,733	122,071	99,136	316,524

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
<u>September 30, 2019</u>				
Short-term borrowings	\$ 5,996,566	\$ -	\$ -	\$ -
Lease liabilities	12,123,134	10,960,395	9,942,164	26,927,988
Long-term borrowings (including current portion)	347,151	121,667	96,158	484,552

- 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, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

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
December 31, 2019				
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 2,911,887	\$ -	\$ -	\$ 2,887,439
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 3,560,485	\$ -	\$ -	\$ 3,530,355
September 30, 2019				
		Fair value		
	Book value	Level 1	Level 2	Level 3
<u>Financial assets:</u>				
Guarantee deposits paid	\$ 2,903,597	\$ -	\$ -	\$ 2,880,398
<u>Financial liabilities:</u>				
Guarantee deposits received	\$ 3,510,895	\$ -	\$ -	\$ 2,482,572

- (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, 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>843,353</u>	<u>-</u>	<u>4,348</u>	<u>847,701</u>
	<u>\$ 2,897,046</u>	<u>\$ -</u>	<u>\$ 89,871</u>	<u>\$ 2,986,917</u>
<u>December 31, 2019</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	\$ 1,696,300	\$ -	\$ -	\$ 1,696,300
Equity securities	-	-	85,565	85,565
	<u>1,696,300</u>	<u>-</u>	<u>85,565</u>	<u>1,781,865</u>
Financial assets at fair value through other comprehensive income				
Equity securities	802,767	-	4,348	807,115
	<u>802,767</u>	<u>-</u>	<u>4,348</u>	<u>807,115</u>
	<u>\$ 2,499,067</u>	<u>\$ -</u>	<u>\$ 89,913</u>	<u>\$ 2,588,980</u>
<u>September 30, 2019</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	\$ 1,583,247	\$ -	\$ -	\$ 1,583,247
Equity securities	-	-	85,565	85,565
	<u>1,583,247</u>	<u>-</u>	<u>85,565</u>	<u>1,668,812</u>
Financial assets at fair value through other comprehensive income				
Equity securities	735,336	-	4,348	739,684
	<u>735,336</u>	<u>-</u>	<u>4,348</u>	<u>739,684</u>
	<u>\$ 2,318,583</u>	<u>\$ -</u>	<u>\$ 89,913</u>	<u>\$ 2,408,496</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-month periods ended September 30, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. For the nine-month periods ended September 30, 2020 and 2019, 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 neighbouring 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:

	<u>Fair value at September 30, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 89,871	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
	<u>Fair value at December 31, 2019</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 89,913	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

	Fair value at September 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 89,913	Market comparable companies	Price to book ratio multiplier	2.61	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-month periods September 30, 2020 and 2019.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- 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 1.
- 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 2.
- 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 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to Table 5.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 6.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to Table 7.
- 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 8.

#### 14. SEGMENT INFORMATION

##### (1) General information

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

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

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

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

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

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

(3) Segment information

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

For the nine-month period 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	\$ 125,419,973	\$ 52,864,126	\$ 12,147,826	\$ 20,636,485	(\$ 18,722,206)	\$ 192,346,204
Segment income (loss)	\$ 9,065,588	\$ 1,777,517	\$ 1,070,504	\$ 130,484	(\$ 1,502,427)	\$ 10,541,666

  

For the nine-month period ended September 30, 2019						
	Convenience stores	Retail business group	Logistics business group	Other operating segments	Adjustment and elimination	Total
External revenue (net)	\$ 118,175,087	\$ 56,006,039	\$ 1,570,900	\$ 15,369,959	\$ -	\$ 191,121,985
Internal department revenue	447,427	1,676,602	10,067,106	5,316,706	( 17,507,841)	-
Total segment revenue	\$ 118,622,514	\$ 57,682,641	\$ 11,638,006	\$ 20,686,665	(\$ 17,507,841)	\$ 191,121,985
Segment income (loss)	\$ 9,534,216	\$ 2,667,276	\$ 971,405	\$ 2,194,197	(\$ 3,775,894)	\$ 11,591,200

(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  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
September 30, 2020

Table 1

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, 2020				
				Number of shares	Book value	Ownership (%)	Fair value	Footnote
President Chain Store Corp.	Stock: President Investment Trust Corp.	Director of President Investment Trust Corp.	Financial assets at fair value through profit or loss — non-current	2,667,600	\$ 45,298	7.60	\$ 45,298	
President Chain Store Corp.	Career Consulting Co. Ltd.	None	"	837,753	14,504	5.37	14,504	
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.	Financial assets at fair value through other comprehensive income — non-current	38,985,684	606,227	2.79	606,227	
President Chain Store Corp.	Duskin Co., Ltd.	None	"	300,000	237,126	0.61	237,126	
President Chain Store Corp.	Koasa Yamako Corp.	Director of Koasa Yamako Corp.	"	650,000	4,348	10.00	4,348	
Books.com. Co., Ltd.	Beneficiary certificates: Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss — current	2,678,542	\$ 40,004	-	\$ 40,004	
Chieh Shun Logistics International Corp.	CTBC Hwa-win Money Market Fund	"	"	2,703,019	30,001	-	30,001	
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	4,226,697	57,626	-	57,626	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	1,247,923	21,002	-	21,002	
Uni-Wonder Corp.	Union Money Market Fund	"	"	22,557,917	300,000	-	300,000	
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	"	"	18,158,943	280,000	-	280,000	
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	"	"	19,805,432	250,000	-	250,000	
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	"	"	7,334,766	100,000	-	100,000	
Uni-President Department Store Corp.	UPAMC James Bond Money Market Fund	"	"	1,485,504	25,000	-	25,000	
Uni-President Department Store Corp.	Prudential Financial Money Market Fund	"	"	2,133,113	10,000	-	10,000	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	19,330,135	288,671	-	288,671	
President Information Corp.	FSITC Taiwan Money Market Fund	"	"	454,419	7,007	-	7,007	
President Information Corp.	Prudential Financial Money Market Fund	"	"	1,404,312	22,385	-	22,385	
President Information Corp.	Jih Sun Money Market Fund	"	"	4,968,959	74,211	-	74,211	
President Information Corp.	Union Money Market Fund	"	"	3,759,653	50,000	-	50,000	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	1,320,557	18,004	-	18,004	
President Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	861,714	14,502	-	14,502	
President Pharmaceutical Corp.	Jih Sun Money Market Fund	"	"	499,153	7,455	-	7,455	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	9,567,833	130,445	-	130,445	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	12,919,708	177,022	-	177,022	
Q-ware Systems & Services Corp.	Jih Sun Money Market Fund	"	"	10,067,540	150,358	-	150,358	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital  
For the nine-month period ended September 30, 2020

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

					Balance as at January 1, 2020		Addition		Disposal			Other increase (decrease)		Balance as at September 30, 2020		
Investor	Type and name of securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
	Beneficiary certificates:															
Books.com. Co., Ltd.	Jih Sun Money Market Fund	Note	Not applicable	Not applicable	1,344,764	\$ 20,005	137,052,028	\$ 2,043,000	135,718,250	\$ 2,023,797	\$ 2,023,000	\$ 797	- (\$ 1)	2,678,542	\$ 40,004	
Books.com. Co., Ltd.	CTBC Hwa-win Money Market Fund	"	"	"	-	-	52,306,259	580,000	52,306,259	580,163	580,000	163	- -	-	-	-
Chieh Shun Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	6,846,847	93,009	62,409,697	849,400	65,029,847	885,058	884,780	278	- ( 3)	4,226,697	57,626	
Chieh Shun Logistics International Corp.	UPAMC James Bond Money Market Fund	"	"	"	1,698,941	28,505	20,705,218	348,000	21,156,236	355,585	355,500	85	- ( 3)	1,247,923	21,002	
Uni-Wonder Corp.	Prudential Financial Money Market Fund	"	"	"	18,260,010	290,000	36,447,972	580,000	54,707,982	870,786	870,000	786	- -	-	-	-
Uni-Wonder Corp.	Allianz Global Investors Taiwan Money Market Fund	"	"	"	15,898,378	200,000	87,221,017	1,100,000	83,313,963	1,050,688	1,050,000	688	- -	19,805,432	250,000	
Uni-Wonder Corp.	FSITC Taiwan Money Market Fund	"	"	"	19,527,436	300,000	66,245,590	1,020,000	67,614,083	1,040,857	1,040,000	857	- -	18,158,943	280,000	
Uni-Wonder Corp.	Union Money Market Fund	"	"	"	-	-	70,002,544	930,000	47,444,627	630,539	630,000	539	- -	22,557,917	300,000	
Uni-Wonder Corp.	Taishin 1699 Money Market Fund	"	"	"	12,514,539	170,000	47,012,131	640,000	52,191,904	710,279	710,000	279	- -	7,334,766	100,000	
Uni-Wonder Corp.	Nomura Money Market Fund	"	"	"	-	-	19,509,550	320,000	19,509,550	320,096	320,000	96	- -	-	-	-
President Drugstore Business Corp.	Taishin 1699 Money Market Fund	"	"	"	-	-	164,716,565	2,242,000	164,716,565	2,242,384	2,242,000	384	- -	-	-	-
Uni-President Department Store Corp.	UPAMC James Bond Money Market Fund	"	"	"	-	-	90,420,018	1,520,200	88,934,514	1,495,540	1,495,200	340	- -	1,485,504	25,000	
Uni-President Department Store Corp.	Jih Sun Money Market Fund	"	"	"	-	-	43,140,409	644,100	23,810,274	355,500	355,429	71	- -	19,330,135	288,671	
President Information Corp.	Union Money Market Fund	"	"	"	-	-	29,350,499	390,000	25,590,846	340,102	340,000	102	- -	3,759,653	50,000	
President Logistics International Corp.	Taishin 1699 Money Market Fund	"	"	"	736,692	10,007	33,074,593	450,300	32,490,728	442,384	442,303	81	- -	1,320,557	18,004	
President Pharmaceutical Corp.	Taishin 1699 Money Market Fund	"	"	"	1,464	20	62,886,955	856,060	53,320,586	725,910	725,685	225	- 50	9,567,833	130,445	
Q-ware Systems & Services Corp.	Eastspring Investments Well Pool Money Market Fund	"	"	"	19,990,627	273,000	109,403,867	1,497,000	116,474,786	1,593,511	1,593,000	511	- 22	12,919,708	177,022	

Note: The security was recognized as "Financial assets at fair value through profit or loss--current".

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
For the nine-month period ended September 30, 2020

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

			Differences in transaction terms compared to third party								
			Transaction			transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
President Chain Store Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	\$ 12,083,901	15	Net 30~40 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 1,395,334) (	8)	
	Uni-President Superior Commissary Corp.	Subsidiary	"	3,065,179	4	Net 45 days from the end of the month when invoice is issued	"	"	( 761,900) (	4)	
	Tung Ang Enterprises Corp.	Sister company	"	1,716,832	2	Net 30 days from the end of the month when invoice is issued	"	"	( 250,260) (	1)	
	21 Century Co., Ltd.	Subsidiary	"	450,310	1	Net 30~60 days from the end of the month when invoice is issued	"	"	( 86,588)	-	
	Q-ware Systems & Services Corp.	"	"	434,103	1	Net 40 days from the end of the month when invoice is issued	"	"	( 97,747) (	1)	
	Kai Ya Food Co., Ltd.	Sister company	"	455,806	1	Net 40 days from the end of the month when invoice is issued	"	"	( 105,818) (	1)	
	Lien-Bo Enterprises Corp.	"	"	434,362	1	Net 10~54 days from the end of the month when invoice is issued	"	"	( 108,560) (	1)	
	Kuang Chuan Dairy Co., Ltd.	Other related party	"	432,182	1	Net 30~65 days from the end of the month when invoice is issued	"	"	( 109,192) (	1)	
	Tait Marketing & Distribution Co., Ltd.	Sister company	"	345,329	-	Net 20~70 days from the end of the month when invoice is issued	"	"	( 68,796)	-	
	President Transnet Corp.	Subsidiary	"	309,705	-	Net 60 days from the end of the month when invoice is issued	"	"	( 43,003)	-	
	President Packaging Corp.	Sister company	"	290,370	-	Net 15~60 days from the end of the month when invoice is issued	"	"	( 68,269)	-	
	President Pharmaceutical Corp.	Subsidiary	"	258,443	-	Net 60~70 days from the end of the month when invoice is issued	"	"	( 86,005)	-	
	Wei Lih Food Industrial Co., Ltd.	Other related party	"	225,646	-	Net 30~60 days from the end of the month when invoice is issued	"	"	( 49,974)	-	
Capital Marketing Consultant Corp.	President Chain Store Corp.	Parent company	Service revenue	( 160,346) (	66)	Net 45~60 days from the end of the month when invoice is issued	"	"	42,420	59	
Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	( 518,801) (	36)	Net 40 days from the end of the month when invoice is issued	"	"	85,709	44	
	President Logistics International Corp.	Parent company	"	( 860,757) (	60)	Net 20 days from the end of the month when invoice is issued	"	"	104,153	53	
President Transnet Corp.	Chieh Shun Logistics International Corp.	Subsidiary of President Chain Store Corp.	Service cost	518,801	7	Net 40 days from the end of the month when invoice is issued	"	"	( 85,709) (	4)	
	President Chain Store Corp.	Parent company	Sales revenue	( 309,705) (	62)	Net 60 days from the end of the month when invoice is issued	"	"	43,003	3	
Uni-Wonder Corp.	Uni-President Enterprises Corp.	Ultimate parent company	Purchases	272,203	8	Net 30 days from the end of the month when invoice is issued	"	"	( 29,053) (	5)	
	Tong Zhan Corporation Ltd.	Other related party	"	705,042	22	Net 25 days from the end of the month when invoice is issued	"	"	( 86,510) (	14)	
	Retail Support International Corp.	Subsidiary of President Chain Store Corp.	"	161,182	5	Net 30 days from the end of the month when invoice is issued	"	"	( 24,184) (	4)	
President Information Corp.	President Chain Store Corp.	Parent company	Service revenue	( 717,046) (	68)	Net 45 days from the end of the month when invoice is issued	"	"	156,217	61	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
For the nine-month period ended September 30, 2020

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

			Differences in transaction terms compared to third party								
			Transaction				transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Subsidiary	Service cost	\$ 860,757	36	Net 20 days from the end of the month when invoice is issued	No significant differences	No significant differences	(\$ 104,153) (	38)	
	Retail Support International Corp.	Parent company	Delivery revenue	( 619,627) (	25)	Net 20 days from the end of the month when invoice is issued	"	"	75,779	24	
	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	"	( 869,862) (	35)	Net 20 days from the end of the month when invoice is issued	"	"	109,988	35	
	Wisdom Distribution Service Corp.	"	"	( 835,209) (	33)	Net 20 days from the end of the month when invoice is issued	"	"	105,859	33	
Retail Support International Corp.	Retail Support Taiwan Corp.	Subsidiary	Service cost	236,561	19	Net 15~20 days from the end of the month when invoice is issued	"	"	( 29,999) (	19)	
	President Logistics International Corp.	"	"	619,627	49	Net 20 days from the end of the month when invoice is issued	"	"	( 75,779) (	47)	
	Uni-Wonder Corp.	Subsidiary of President Chain Store Corp.	Delivery revenue	( 161,182) (	7)	Net 30 days from the end of the month when invoice is issued	"	"	24,184	7	
Uni-President Cold-Chain Corp.	President Logistics International Corp.	"	Service cost	869,862	38	Net 20 days from the end of the month when invoice is issued	"	"	( 109,988) (	2)	
Wisdom Distribution Service Corp.	President Logistics International Corp.	"	"	835,209	44	Net 20 days from the end of the month when invoice is issued	"	"	( 105,859) (	33)	
	Books.com. Co., Ltd.	"	Service revenue	( 229,487) (	10)	Net 30 days from the end of the month when invoice is issued	"	"	27,200	4	
Q-ware Systems & Services Corp.	President Chain Store Corp.	Parent company	"	( 434,103) (	63)	Net 40 days from the end of the month when invoice is issued	"	"	97,747	72	
President Drugstore Business Corp.	President Pharmaceutical Corp.	Subsidiary of President Chain Store Corp.	Purchases	423,608	5	Net 70 days from the end of the month when invoice is issued	"	"	( 34,533) (	2)	
President Pharmaceutical Corp.	President Drugstore Business Corp.	"	Sales revenue	( 423,608) (	35)	Net 70 days from the end of the month when invoice is issued	"	"	34,533	8	
	President Chain Store Corp.	Parent company	"	( 258,443) (	21)	Net 60~70 days from the end of the month when invoice is issued	"	"	86,005	20	
Uni-President Superior Commissary Corp.	President Chain Store Corp.	"	"	( 3,065,179) (	98)	Net 45 days from the end of the month when invoice is issued	"	"	761,900	98	
21 Century Co., Ltd.	President Chain Store Corp.	"	"	( 450,310) (	48)	Net 30~60 days from the end of the month when invoice is issued	"	"	86,588	55	
Retail Support Taiwan Corp.	Retail Support International Corp.	"	Delivery revenue	( 236,561) (	79)	Net 15~20 days from the end of the month when invoice is issued	"	"	29,999	75	
Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	"	Service revenue	( 138,576) (	15)	Net 15~60 days from the end of the month when invoice is issued	"	"	24,482	-	
ICASH Corp.	President Chain Store Corp.	"	"	( 140,071) (	39)	Net 60 days from the end of the month when invoice is issued	"	"	72,226	48	

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
September 30, 2020

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of September 30, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Uni-President Superior Commissary Corp.	President Chain Store Corp.	Parent company	\$ 761,900	5.71	\$ -	None	\$ 401,182	\$ -
President Information Corp.	President Chain Store Corp.	"	156,217	6.80	-	"	3,842	-
President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary of President Chain Store Corp.	109,988	11.20	-	"	-	-
President Logistics International Corp.	Wisdom Distribution Service Corp.	"	105,859	10.18	-	"	-	-
Chieh Shun Logistics International Corp.	President Logistics International Corp.	"	104,153	11.44	-	"	-	-

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
For the nine-month period ended September 30, 2020

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction		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	(\$ 334,629)	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	( 160,346)	Net 45~60 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	( 717,046)	Net 45 days from the end of the month when invoice is issued		0.37
3	President Information Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	156,217	Net 45 days from the end of the month when invoice is issued		0.08
4	Q-ware Systems & Services Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 434,103)	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	( 3,065,179)	Net 45 days from the end of the month when invoice is issued		1.59
5	Uni-President Superior Commissary Corp.	President Chain Store Corp.	Subsidiary to parent company	Accounts receivable	761,900	Net 45 days from the end of the month when invoice is issued		0.38
6	President Pharmaceutical Corp.	President Drugstore Business Corp.	Subsidiary to subsidiary	Sales revenue	( 423,608)	Net 70 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	( 258,443)	Net 60~70 days from the end of the month when invoice is issued		0.13
7	President Transnet Corp.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 309,705)	Net 60 days from the end of the month when invoice is issued		0.16
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Delivery revenue	( 860,757)	Net 20 days from the end of the month when invoice is issued		0.45
8	Chieh Shun Logistics International Corp.	President Logistics International Corp.	Subsidiary to subsidiary	Accounts receivable	104,153	Net 20 days from the end of the month when invoice is issued		0.05
8	Chieh Shun Logistics International Corp.	President Transnet Corp.	Subsidiary to subsidiary	Delivery revenue	( 518,801)	Net 40 days from the end of the month when invoice is issued		0.27
9	President Logistics International Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	( 619,627)	Net 20 days from the end of the month when invoice is issued		0.32
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Delivery revenue	( 869,862)	Net 20 days from the end of the month when invoice is issued		0.45
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Delivery revenue	( 835,209)	Net 20 days from the end of the month when invoice is issued		0.43
9	President Logistics International Corp.	Wisdom Distribution Service Corp.	Subsidiary to subsidiary	Accounts receivable	105,859	Net 20 days from the end of the month when invoice is issued		0.05
9	President Logistics International Corp.	Uni-President Cold-Chain Corp.	Subsidiary to subsidiary	Accounts receivable	109,988	Net 20 days from the end of the month when invoice is issued		0.05
10	Duskin Serve Taiwan Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 138,576)	Net 15~60 days from the end of the month when invoice is issued		0.07
11	21 Century Co., Ltd.	President Chain Store Corp.	Subsidiary to parent company	Sales revenue	( 450,310)	Net 30~60 days from the end of the month when invoice is issued		0.23
12	Wisdom Distribution Service Corp.	Books.com. Co., Ltd.	Subsidiary to subsidiary	Service revenue	( 229,487)	Net 30 days from the end of the month when invoice is issued		0.12
13	Retail Support Taiwan Corp.	Retail Support International Corp.	Subsidiary to subsidiary	Delivery revenue	( 236,561)	Net 15~20 days from the end of the month when invoice is issued		0.12
14	ICASH Corp.	President Chain Store Corp.	Subsidiary to parent company	Service revenue	( 140,071)	Net 60 days from the end of the month when invoice is issued		0.07
15	Retail Support International Corp.	Uni-Wonder Corp.	Subsidiary to subsidiary	Delivery revenue	( 161,182)	Net 30 days from the end of the month when invoice is issued		0.08

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

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Names, locations and other information of investee companies (not including investees in Mainland China)  
For the nine-month period ended September 30, 2020

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2020		Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value				
President Chain Store Corp.	President Chain Store (BVI) Holdings Ltd.	British Virgin Islands	Professional investment	\$ 6,712,138	\$ 6,712,138	171,589,586	100.00	\$ 25,541,527	(\$ 167,124)	(\$ 167,124)		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	1,370,825	224,267	224,267		Subsidiary
President Chain Store Corp.	President Transnet Corp.	Taiwan	Delivery service	711,576	711,576	103,496,399	70.00	1,775,133	726,300	508,410		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	718,401	108,301	87,584		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	688,761	100,614	74,193		Subsidiary
President Chain Store Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	840,000	840,000	27,999,999	70.00	485,655	157,730	110,411		Subsidiary
President Chain Store Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	520,141	520,141	48,519,890	90.00	555,320	79,180	71,262		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	881,533	336,647	201,895		Subsidiary
President Chain Store Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	320,741	320,741	25,714,475	86.00	490,889	70,485	60,618		Subsidiary
President Chain Store Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	332,482	332,482	24,382,921	86.76	372,405	62,772	54,461		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	434,992	226,707	226,707		Subsidiary
President Chain Store Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	100,400	100,400	9,999,999	50.03	365,624	315,128	157,640		Subsidiary
President Chain Store Corp.	President Lanyang Art Corporation	Taiwan	Art and cultural exhibition	20,000	20,000	2,000,000	100.00	25,033	21	21		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	188,980	120,550	61,480		Subsidiary
President Chain Store Corp.	ICASH Corp.	Taiwan	Electronic ticketing and electronic payment	700,000	700,000	70,000,000	100.00	582,807	15,565	15,565		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	749,034	64,608	12,922		Note 1
President Chain Store Corp.	Uni-Wonder Corp.	Taiwan	Coffee chain store	3,286,206	3,286,206	21,382,674	60.00	5,002,206	472,211	213,429		Subsidiary
President Chain Store Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	91,414	91,414	6,429,999	25.00	161,451	164,593	41,174		Subsidiary
President Chain Store Corp.	Presicarre Corp.	Taiwan	Management of retail department store	7,112,028	7,112,028	145,172,360	19.50	5,390,163	1,734,862	330,738		Note 1
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	2,070,274	162,464	30,868		Note 1
President Chain Store Corp.	President International Development Corp.	Taiwan	Professional investment	500,000	500,000	44,100,000	3.33	449,069	519,876	17,904		Note 1
President Chain Store Corp.	Tung Ho Development Corp.	Taiwan	Management of entertainment business	861,696	861,696	19,930,000	12.46	34,751	(\$ 569,419)	(\$ 71,634)		Note 1
President Chain Store Corp.	Ren-Hui Investment Corp.	Taiwan	Professional investment	637,231	637,231	6,500,000	100.00	67,966	(\$ 5,862)	(\$ 5,862)		Subsidiary
President Chain Store Corp.	Capital Marketing Consultant Corp.	Taiwan	Enterprise management consultancy	9,506	9,506	2,500,000	100.00	70,111	35,246	35,246		Subsidiary
President Chain Store Corp.	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	277,805	277,805	8,746,008	92.20	65,273	958	883		Subsidiary

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Names, locations and other information of investee companies (not including investees in Mainland China)  
For the nine-month period ended September 30, 2020

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2020		Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value				
President Chain Store Corp.	President Chain Store Corporation Insurance Brokers Co., Ltd.	Taiwan	Life and property insurance	\$ 213,000	\$ 213,000	1,500,000	100.00	\$ 33,403	\$ 15,506	\$ 15,506		Subsidiary
President Chain Store Corp.	Cold Stone Creamery Taiwan Ltd.	Taiwan	Sales of ice cream	170,000	170,000	12,244,390	100.00	20,511	14,378	14,378		Subsidiary
President Chain Store Corp.	President Being Corp.	Taiwan	Sports and entertainment business	170,000	170,000	1,500,000	100.00	( 27,745)	5,612	5,717		Subsidiary
President Chain Store Corp.	21 Century Co., Ltd.	Taiwan	Operation of chain restaurants	160,680	160,680	10,000,000	100.00	119,814	33,422	33,422		Subsidiary
President Chain Store Corp.	President Chain Store Tokyo Marketing Corp.	Japan	Enterprise management consultancy	35,648	35,648	9,800	100.00	88,096	6,477	6,475		Subsidiary
President Chain Store Corp.	Uni-President Oven Bakery Corp.	Taiwan	Bread and pastry retailer	391,300	391,300	6,511,963	100.00	( 86,005)	( 41,179)	( 41,179)		Subsidiary
President Chain Store Corp.	President Collect Service Corp.	Taiwan	Collection agent	10,500	10,500	1,049,999	70.00	76,719	79,584	55,708		Subsidiary
President Chain Store Corp.	Mister Donut Taiwan Corp., Ltd.	Taiwan	Bakery retailer	200,000	200,000	7,500,049	50.00	89,989	5,382	2,691		Note 1
President Chain Store Corp.	Uni-President Organics Corp.	Taiwan	Health care products and organic food	47,190	47,190	1,833,333	36.67	40,938	22,384	8,201		Note 1
President Chain Store Corp.	President Technology Corp.	Taiwan	Software development and call center service	7,500	7,500	750,000	15.00	20,274	24,837	3,758		Note 1
Books.com. Co., Ltd.	Books.com. (BVI) Ltd.	British Virgin Islands	Professional investment	-	1,478	-	-	- (	31)	( 31)		Subsidiary of a subsidiary
Mech-President Corp.	Tong Ching Corporation	Taiwan	Gas station	9,600	9,600	960,000	60.00	20,993	5,097	3,058		Subsidiary of a subsidiary
President Chain Store (Hong Kong) Holdings Limited	PCSC (China) Drugstore Limited	British Virgin Islands	Professional investment	21,534	21,534	740,000	7.80	5,522	958	75		Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Labuan) Holdings Ltd.	Malaysia	Professional investment	848,653	848,653	29,163,337	100.00	2,367,605	( 192,704)	( 192,704)		Subsidiary of a subsidiary
President Chain Store (BVI) Holdings Ltd.	President Chain Store (Hong Kong) Holding Limited	Hong Kong	Professional investment	4,532,526	4,532,526	134,603,354	100.00	3,866,475	( 201,751)	( 201,751)		Subsidiary of a subsidiary
President Chain Store (Labuan) Holdings Ltd.	Philippine Seven Corp.	Philippines	Operation of chain stores	847,838	847,838	394,970,516	52.22	2,307,160	( 348,998)	( 182,445)		Subsidiary of a subsidiary
President Logistics International Corp.	Chieh Shun Logistics International Corp.	Taiwan	Trucking	180,000	180,000	26,670,000	100.00	329,746	33,468	33,468		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	45,667	( 14,290)	( 14,290)		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Books.com. Co., Ltd.	Taiwan	Retail business without shop	-	-	1	-	-	315,128	-		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Department Store Corp.	Taiwan	Department stores	-	-	1	-	-	157,730	-		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mech-President Corp.	Taiwan	Gas station, installment and maintenance of elevators	-	-	1	-	-	108,301	-		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Information Corp.	Taiwan	Enterprise information management and consultancy	-	-	1	-	-	70,485	-		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Transnet Corp.	Taiwan	Delivery service	-	-	1	-	-	726,300	-		Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Q-ware Systems & Services Corp.	Taiwan	Information software services	-	-	1	-	-	62,772	-		Subsidiary of a subsidiary



PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Names, locations and other information of investee companies (not including investees in Mainland China)  
For the nine-month period ended September 30, 2020

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2020		Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value				
Ren-Hui Investment Corp.	Duskin Serve Taiwan Co., Ltd.	Taiwan	Cleaning instruments leasing and selling	\$ -	\$ -	1	-	\$ -	\$ 120,550	\$ -	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Pharmaceutical Corp.	Taiwan	Sales of various health care products, cosmetics, and pharmaceuticals	-	-	1	-	-	100,614	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Mister Donut Taiwan Corp., Ltd.	Taiwan	Bakery retailer	-	-	1	-	-	5,382	-	-	Note 1
Ren-Hui Investment Corp.	Uni-President Superior Commissary Corp.	Taiwan	Fresh food manufacture	-	-	1	-	-	79,180	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Uni-President Cold-Chain Corp.	Taiwan	Low-temperature logistics and warehousing	-	-	1	-	-	336,647	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	Retail Support International Corp.	Taiwan	Room-temperature logistics and warehousing	-	-	1	-	-	164,593	-	-	Subsidiary of a subsidiary
Ren-Hui Investment Corp.	President Collect Service Corp.	Taiwan	Collection agent	-	-	1	-	-	79,584	-	-	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	52,785 (	9,516) (	9,516)	-	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	72,482	37,722	19,238	-	Subsidiary of a subsidiary
Retail Support International Corp.	President Logistics International Corp.	Taiwan	Trucking	44,975	44,975	9,481,500	49.00	162,607	63,376	31,054	-	Subsidiary of a subsidiary
Retail Support Taiwan Corp.	President Logistics International Corp.	Taiwan	Trucking	5,425	5,425	1,161,000	6.00	19,911	63,376	3,803	-	Subsidiary of a subsidiary
Uni-President Cold-Chain Corp.	President Logistics International Corp.	Taiwan	Trucking	23,850	23,850	4,837,500	25.00	82,963	63,376	15,844	-	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	106,379	9,012	9,012	-	Subsidiary of a subsidiary
Wisdom Distribution Service Corp.	President Logistics International Corp.	Taiwan	Trucking	18,850	18,850	3,870,000	20.00	66,322	63,376	12,627	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Convenience Distribution Inc.	Philippines	Logistic, warehousing and retail	27,006	27,006	4,500,000	100.00	27,006 (	34,778)	-	-	Subsidiary of a subsidiary
Philippine Seven Corp.	Store Sites Holding, Inc.	Philippines	Professional investment	29,252	29,252	40,000	100.00	29,252	885	-	-	Subsidiary of a subsidiary

Note 1: The investee was recognized using equity method by the company.

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
Information on investments in Mainland China  
For the nine-month period ended September 30, 2020

Table 7

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, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2020	Net profit(loss) of investee for the nine-month period ended September 30, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2020	Book value of investments in Mainland China as of September 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
President Cosmed Chain Store (Shen Zhen) Co., Ltd.	Wholesale of merchandise	\$ 428,508	Note 1	\$ 274,043	\$ -	\$ -	\$ 274,043	\$ 1,053	100.00	\$ 1,037	\$ 70,232	\$ -	Note 3
President Chain Store (Shanghai) Ltd.	Operation of chain stores	2,656,750	Note 1	2,142,540	514,210	-	2,656,750	( 137,853)	100.00	( 137,852)	475,992	-	Note 3
Shanghai President Logistic Co., Ltd.	Logistics and warehousing	58,200	Note 1	58,200	-	-	58,200	8,683	100.00	8,683	483,913	-	Note 3
Shanghai Cold Stone Ice Cream Corporation	Sales of ice cream	953,617	Note 1	952,706	-	-	952,706	18,299	100.00	18,299	63,812	-	Note 3
Shan Dong President Yinzuo Commercial Limited	Supermarkets	257,105	Note 1	118,680	-	-	118,680	( 62,351)	55.00	( 34,946)	150,993	7,566	Note 2
President (Shanghai) Health Product Trading Company Ltd.	Sales of various health care products, cosmetics, and pharmaceuticals	167,792	Note 1	167,792	-	-	167,792	( 11,833)	73.74	( 8,725)	13,002	54,445	Note 3
Zhejiang Uni-Champion Logistics Development Co., Ltd.	Logistics and warehousing	171,403	Note 1	166,490	-	-	166,490	18,127	80.00	14,230	169,789	24,803	Note 3
Beijing Bokelai Customer Co.	Enterprise information consulting, network technology development and services	-	Note 1	-	-	-	-	( 25)	-	( 13)	-	-	Note 3
President Chain Store (Taizhou) Ltd.	Logistics and warehousing	257,105	Note 1	257,105	-	-	257,105	14,777	100.00	14,777	364,160	-	Note 3
President Logistic ShanDong Co., Ltd.	Logistics and warehousing	214,254	Note 1	214,254	-	-	214,254	7,880	100.00	6,272	200,889	-	Note 3
President Chain Store (Zhejiang) Ltd.	Operation of chain stores	599,911	Note 1	599,911	-	-	599,911	( 86,916)	100.00	( 86,916)	201,838	-	Note 3
Beauty Wonder (Zhejiang) Trading Co.,Ltd.	Sales of cosmetics and daily items	128,552	Note 1	128,552	-	-	128,552	( 31,049)	100.00	( 31,050)	44,412	-	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, 2020	Investment amount approved by the		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
		Investment Commission of the Ministry of Economic Affairs (MOEA)		
President Chain Store Corp.	\$ 4,996,773	\$ 8,871,831	\$	25,767,187
President Pharmaceutical Corp.	167,792	167,792		431,214
Uni-President Cold-Chain Corp.	86,352	86,352		869,302
Ren-Hui Investment Corp.	50,148	50,148		80,000

PRESIDENT CHAIN STORE CORP. AND SUBSIDIARIES  
List of shareholders holding more than 5% (inclusive) of shares  
September 30, 2020

Table 8

Shareholder name	Shares held as at September 30, 2020	
	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.